

CANARA STEEL LIMITED

CIN U27104KA1973PL0002316

Regd add: N-301, 3RD FLOOR, NORTH BLOCK, FRONT WING MANPAL CENTRE, 47, DICKENSON ROAD, BANGALORE - 560042

Contact No: 8660392096; Email id: secretary@manipal.com

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting herewith 51st Board Report on the business and operations of the Company along with the Audited Financial Statement for the Year ended March 31st, 2025.

1. FINANCIAL SUMMARY /PERFORMANCE OF THE COMPANY

The Company's financial performance for the year under review along with the previous year figures is given hereunder.

(All amounts are in INR thousands, unless otherwise stated)

Particulars	2024-25	2023-2024
Revenue From Operations	25,576.26	22,001.22
Other income	8,499.66	6,642.44
Total Income	34,075.93	28,643.66
Profit Before Tax and Exceptional Items	27,493.20	22,259.56
Add: Exceptional items	54.39	218.09
Profit / Loss before Tax	27,547.59	22,477.65
Add/Less: Current Tax	(7,100.00)	(5,600.00)
Add/Less: Deferred tax	7.31	15.48
Add/Less: Income Tax of Earlier years	(48.18)	351.24
Net Profit / Loss after tax	20,406.71	17,244.37
Other Comprehensive Income	-	-
Total comprehensive income for the year	20,406.71	17,244.37
Proposed Dividend on Equity Shares	-	-
Earnings per share (EPS)	5.30	4.41

*Figures for the previous periods have been regrouped and reclassified to confirm to the classification of the current period, wherever necessary.

2. STATE OF AFFAIRS

The Company has earned a total Revenue of **Rs. 3,40,75,925/-** during the year under review as against the Previous Year **Rs. 2,86,43,659/-**. The Company has earned a Net Profit of **Rs.2,04,06,717/-** as against the Previous Year amounting to **Rs. 1,72,44,370/-**. There has been an increase in the profit earned by the Company during the year under review. The Directors are more optimistic about the future prospectus of the Company.

3. REVIEW OF BUSINESS OPERATOINS, FUTURE PROSPECTS AND CHANGE IN THE NATURE OF BUSINESS IF ANY

Your directors are optimistic about Company's Business with diversification to increase the revenue in coming years. There is no change in the nature of business of the Company during the year.

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4. DIVIDEND

The Directors of your Company have not recommended any dividend during the year under review.

5. TRANSFER TO RESERVES

The following is the status of the reserves and surplus during the year 2024-25.

Reserves & Surplus	31.03.2025 (Rs.)	31.03.2024 (Rs.)
Capital Reserve	19,90,110	19,90,110
Security Premium	12,84,43,627	13,06,27,230
General Reserve	2,12,54,543	2,18,00,440
Capital Redemption Reserve	5,45,900	-
Surplus/Deficit in the Statement of Profit & Loss		
Balance as at the beginning of the year	(4,09,28802)	(5,81,73,171)
Net Profit/(Net Loss) for the Current Year	2,04,06,717	1,72,44,370
Balance as at the end of the year	(2,05,22,085)	(4,09,28,800)
Total	13,17,12,092	11,34,88,980

6. PUBLIC DEPOSITS

The Company has neither accepted nor renewed deposits from public during the year under review.

7. SHARE CAPITAL

The Authorised Share capital of the Company is Rs. 4,00,00,000/- divided in to 40,00,000 equity shares of Rs. 10/- each as on 31st March, 2024. Your Company has not increased Authorised Share capital of the Company.

The paid-up share capital of the Company is Rs. 3,85,30,600/- divided into 38,53,060 equity shares of Rs. 10/-

Shares with Differential Rights

During the year, the Company has not issued shares with Differential rights.

Sweat Equity

During the year, the Company has not issued Sweat Equity shares.

Bonus Shares

No Bonus Shares were issued during the year under review.

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Employee Stock Option Plan

During the year, the Company has not provided any Stock Option Scheme to the employees.

Buy Back of Shares

The buyback has conducted through a tender offer

The Company bought back 54,590 equity shares under the buyback offer.

The funds from the free reserves of the Company were used to finance the buyback.

The shares bought back under the Buyback offer both demat and physical have been extinguished.

All filings have been completed.

Right Issue of Shares

During the year, the Company has not issued Shares on Right basis.

8. MEETINGS

During the year, Six Board Meetings were convened and held as on the following dates and the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

No. of Directors entitled to attend Board Meeting	Board Meetings date	No. of Directors present in Board Meeting
4	14/05/2024	4
4	05/08/2024	4
4	21/08/2024	4
4	16/12/2024	4
4	13/01/2025	4
4	05/02/2025	4

The details of the Stakeholder Relationship Committee meeting is tabulated below:-

No. of Members entitled to attend SRC Meeting date of the meeting	Board Meetings date	No. of Members attended the SRC Meeting
3	14/05/2024	3
3	05/02/2025	3

B. Attendance of Directors

<u>Sl. No</u>	<u>Name of the Director</u>	<u>No of Meetings which were entitled to attend</u>	<u>No. of Meetings Attended</u>
1.	Mr. Subbarame Gowda	06	06
2.	Mr. Shashindra Bhat	06	06
3.	Mr. Katpady Madhava Kini	06	06
4.	Mr. Jagadish Kudva	06	06

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A. General Meetings

Type of Meeting	Date of Meeting	Total No. of members entitled to attend	Attendance	
			No. of members attended	% of total shareholding
AGM	30/09/2024	6,942	30	62.22%

The Company is compliant with the secretarial standards for the meeting of Board and General Meeting as prescribed by ICSI.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Directors of the company as at the end of the year 2024-25 are as follows:

Name of the Director	Designation
Mr. Subbarame Gowda	Director
Mr. Shashindra Bhat	Director
Mr. Katpady Madhava Kini	Director
Mr. Jagadish Kudva	Director

In accordance with the provisions of the Companies Act, 2013 Mr. Jagadish Kudva (DIN:02627373) Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The Board of Directors has recommended his re-appointment.

During the year under the review, there were no changes in the composition of the Board of Directors.

10. MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE DATE OF BALANCE SHEET AND THE DATE OF THIS REPORT.

During the year under the review, there were no material changes and commitments have occurred between the end of the Financial Year to which the financial statements relate and the date of this Report.

11. DISCLOSURE ABOUT COST RECORDS

The provision of maintenance of cost records is not applicable to the Company.

12. WEB LINK OF ANNUAL RETURN, IF ANY

The Company is having website, i.e. www.canarasteel.com. Arrangements are made to publish the Annual Return for the year under review on such website.

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13. STATUTORY AUDITORS

M/s. Mohan & Narayan, Chartered Accountants, bearing Membership No: 018418, the Statutory Auditors of your Company were appointed as statutory auditors at the 50th Annual General meeting to hold office till the conclusion of the 54th Annual General Meeting

The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013 and the Code of Ethics issued by the Institute of Chartered Accountants of India.

14. AUDITORS' REPORT

The Notes to Accounts in the Financial Statements and the Auditors' remarks in the Audit Report are self-explanatory and do not call for any further comments.

15. EXPLANATION ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS MADE BY THE AUDITORS IN THEIR REPORTS

The Auditor's Report does not contain any qualifications, reservations or adverse remarks. Notes to Accounts are self-explanatory in nature and do not call for any further comments.

16. BOARDS COMMENT ON THE AUDITOR'S REPORT

The observations made by the auditors are self-explanatory and do not require any further clarification.

17. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

During the year under review, there were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 and hence the said provision is not applicable. Also, there were no guarantees and investments made by the Company.

18. PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

During the financial year, your Company has not entered into any related party transactions as referred in sub-section (1) of section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. Hence, disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 in Form AOC- 2 is not applicable.

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/COURTS

There are no significant and material order passed by the regulators or court or tribunals impacting the going concern status and the Company's operations in future.

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20. SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards.

21. ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD AND OF INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance and individual Directors, to the extent as applicable, if any, after seeking inputs from all the Directors based on criteria such as Board structure, composition, Board processes and their effectiveness, degree of effective communication with the stakeholders, in accordance with the provisions of the Companies Act, 2013.

22. MANAGERIAL REMUNERATION

No Managerial Remuneration has been paid to the directors of the Company as per the provision of Companies Act, 2013. There is no employee who is withdrawing remuneration more than one crore and two lakh rupees per annum, more than Eight Lakhs fifty thousand per month and more than remuneration of Managing Director or Whole Time Director

23. DECLARATION FROM INDEPENDENT DIRECTOR.

The Company does not fall under Section 149 (4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, hence declaration from Independent Director is not required.

24. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

25. SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company do not have any Subsidiary/Joint Ventures and Associate Companies.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) CONSERVATION OF ENERGY	
The steps taken or impact on conservation of energy	Nil
The steps taken by the company for utilizing alternate sources of Energy	Nil
The capital investment on energy conservation equipments	Nil
(B) TECHNOLOGY ABSORPTION	
The efforts made towards technology absorption	NA

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The benefits derived like product improvement, cost reduction, product development or import substitution	NA
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NA
The expenditure incurred on research and development	NA

Details of Foreign currency transactions are as follows:

- a. The company has not earned any income in Foreign Currency during the year
- b. The company has not incurred any expenditure in Foreign Currency

27. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

28. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Board of Directors report that –

A. That in the preparation of the annual accounts, the applicable accounting standards have been followed and now that no material departures have been made from the same.

B. That Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period.

C. That to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

D. The Directors, are managing, to devise proper system to ensure compliance with the provisions of all applicable laws to the company and that such system to the best of their knowledge information are adequate and operating effectively.

E. The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.

F. That Directors have prepared the annual accounts on a going concern basis.

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29. CONSOLIDATED FINANCIAL STATEMENTS:

The Company doesn't have any subsidiaries so there is no need to prepare consolidated financial statement for the FY: 2024-25.

30. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

You're Company have not declared dividend; hence the Company does not require to transfer shares/ unclaimed or unpaid dividend to IEPF authority in terms of IEPF Rules.

31. AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (meetings of Board and its Powers) Rules, 2013 is not applicable to the Company. Hence the formation of Audit Committee is not required.

32. NOMINATION AND REMUNERATION COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (meetings of Board and its Powers) Rules, 2013 is not applicable to the Company. Hence the formation of Nomination and Remuneration Committee is not required.

33. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The provisions of Section 135 of the Companies Act, 2013 read with Rule 3 and 5 of the Companies (Corporate Social Responsibility) Rules, 2014 is not applicable to the Company. Hence the formation of Corporate Social Responsibility Committee is not required.

34. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of three non-Executive directors including chairperson of the committee. Below are members of SRC committee:

- Mr. Subbarama Gowda - Chairman
- Mr. Shashindra Bhat - Member
- Mr. Jagadish Kudva - Member

35. INTERNAL AUDIT AND CONTROL

Provisions of Section. 138 of the Companies Act, 2013 is not applicable to the Company hence your Company is not required to appoint Internal Auditor.

36. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

As Company has not done any one-time settlement during the year under review hence no disclosure is required

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37. INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

The Company has not made any application under Insolvency and Bankruptcy Code, 2016 during the year under review.

38. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior.

Internal Complaints Committee (ICC) is set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

No of Complaints received during the year	No of complaints resolved during the year	No of complaints pending at the end of the year	Action taken by the Management	Action taken by the District Officer
0	0	Nil	Not Applicable	Not Applicable

39. MATERNITY BENEFIT COMPLIANCE

Your Company has always believed in providing all the benefits under the Maternity Benefit Act, 1961 including paid leave, nursing breaks, and protection against dismissal during pregnancy.

There are no permanent employees in the Company. There are only 2 employees on contract basis.

No of Employees	2
Male	2
Female	0
Trangender	0

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40. ACKNOWLEDGEMENTS

Your directors would like to acknowledge the role of all its Shareholders and all others for their continued support to your Company and the confidence and faith that they have always reposed in your Company.

For and on behalf of the Board of Directors of
CANARA STEEL LIMITED

KATPADY MADHAVA KINI
DIRECTOR
DIN: 01228607

SHASHINDRA BHAT
DIRECTOR
DIN: 00696157

Place: Bangalore

Date: 28.07.2025

CANARA STEEL LIMITED

CIN: U27104KA1973PLC002316

N-301, NORTH BLOCK, MANIPAL CENTRE, 47, DICKENSON ROAD, BANGALORE - 560042


Balance Sheet as at 31.03.2025

(Amount in Rs. In Thousands)

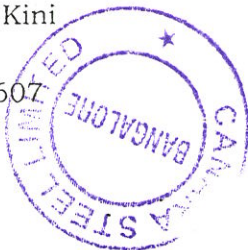
Particulars		Note No.	As at 31.03.2025	As at 31.03.2024
I.	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	2.01	38,530.60	39,076.50
	(b) Reserves and Surplus	2.02	1,31,712.10	1,13,488.98
2	Non-Current Liabilities			
	(a) Deferred Tax Liabilities/(Asset)	2.03	(3.47)	3.84
	(b) Other Long Term Liabilities	2.04	7,725.21	4,157.60
3	Current Liabilities			
	(a) Trade Payables	2.05	-	200.49
	(b) Other Current Liabilities	2.06	6,388.51	7,572.83
	(c) Short Term Provisions	2.07	7,150.00	5,650.00
	TOTAL		1,91,502.95	1,70,150.24
II.	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant & Equipments	2.08	1,750.10	1,782.05
	(b) Non-Current Investments	2.09	1,00,390.93	63,912.49
	(c) Trade Receivables	2.10	-	2,017.91
	(d) Long Term Loans and Advances	2.11	48,778.38	69,038.13
	(e) Other Non Current Assets	2.12	907.95	907.95
2	Current Assets			
	(a) Current Investments	2.09	-	-
	(b) Trade Receivables	2.10	2,435.93	2,081.02
	(c) Cash and Cash Equivalents	2.13	31,200.79	25,263.46
	(d) Other Current Assets	2.12	6,038.87	5,147.23
	TOTAL		1,91,502.95	1,70,150.24
	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	1 & 2		

The accompanying notes form an integral part of the financial statements.


For and on behalf of Board of Directors


Shashindra Bhat
DIRECTOR
DIN: 00696157


K Madhava Kini
DIRECTOR
DIN: 01228607



As per our report of even date
For MOHAN & NARAYAN
Chartered Accountants
Firm Registration No. 002093S


V NARAYAN
Partner

Membership No : 018418
UDIN : 25018418BPTXTX1098

Place : Bangalore
Date : 28.07.2025

CANARA STEEL LIMITED

CIN: U27104KA1973PLC002316

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Statement of Profit and Loss for the year ended 31.03.2025


(Amount in Rs. In Thousands)

Particulars		Note No.	For the year ended 31.03.2025	For the year ended 31.03.2024
I. Revenue:				
Revenue from Operations				
- Renting of Immovable Property			25,576.26	22,001.22
Other Income		2.14	8,499.66	6,642.45
TOTAL REVENUE			34,075.92	28,643.67
II. Expenses:				
Employee Benefit Expenses		2.15	204.00	204.00
Finance Cost		2.16	0.96	1.42
Other Expenses		2.17	6,345.81	6,114.79
Depreciation		2.08	31.95	63.89
TOTAL EXPENSES			6,582.72	6,384.10
III. Profit/ (Loss) before Exceptional Items & Tax (I-II)			27,493.20	22,259.57
IV. Exceptional Items		2.18	54.40	218.09
V. Profit/ (Loss) before Tax (III-IV)			27,547.60	22,477.66
VI. Tax Expense:				
(i) Current Tax			(7,100.00)	(5,600.00)
(ii) Deferred Tax			7.31	15.48
(iii) Income Tax of earlier years			(48.19)	351.23
VII. Profit/ (Loss) after Tax (V - VI)			20,406.72	17,244.37
VIII. Earnings per Equity Share (Rs):		2.19		
(i) Basic			5.30	4.41
(ii) Diluted			5.30	4.41
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS		1 & 2		

The accompanying notes form an integral part of the financial statements.

For and on behalf of Board of Directors


Shashindra Bhat
DIRECTOR
DIN: 00696157


K Madhava Kini
DIRECTOR
DIN: 01228607



As per our report of even date
For MOHAN & NARAYAN
Chartered Accountants
Firm Registration No. 002093S


V NARAYAN
Partner
Membership No : 018418
UDIN : 25018418BPTXTX1098

Place : Bangalore
Date : 28.07.2025

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2025

(As per Accounting Standard AS-3 issued by Institute of Chartered Accountants of India)

As at 31.03.2025
(Amount in Rs. In Thousands)

A. CASH FLOW FROM OPERATING ACTIVITIES

Net Profit /(Loss) before Taxes	27,493.20
Adjustments for:	
Dividend Receipts	(219.50)
Interest Receipts	(6,388.31)
Income Receipts	(1,891.85)
Depreciation	31.95
Current Tax	(7,100.00)
Income Tax of earlier years	(48.19)
Operating Loss before changes in Working Capital	11,877.31
Decrease / Increase:	
Trade Receivables - Non-Current	2,017.91
Long Term Loans & Advances	20,259.75
Trade Receivables - Current	(354.91)
Other Current Assets	(891.65)
Other Non-Current Liabilities	3,567.61
Trade Payables	(200.49)
Other Current Liabilities	(1,184.32)
Short Term Provisions	1,500.00
Net Cash generated from Operations	36,591.22

B. CASH FLOW FROM INVESTING ACTIVITIES

Increase/ (Decrease) in Fixed Assets	0.00
(Purchase) / Sale of Investments	(36,424.05)
Dividend Received	219.50
Interest Received	6,388.31
Income Receipts	1,891.85
Increase/ (Decrease) in Bank Deposits	-
Net Cash generated from Investing Activities	(27,924.39)


C. CASH FLOW FROM FINANCING ACTIVITIES:

Increase/ (Decrease) in Capital	(545.90)
Increase/ (Decrease) in Security Premium	(2,183.60)
Increase/ (Decrease) in Borrowings	-
Net Cash generated from Financing Activities	(2,729.50)

D. TOTAL INCREASE OR DECREASE IN CASH & CASH EQUIVALENTS DURING THE YEAR (A to C)

E. Total increase / decrease in Cash & Cash Equivalents	5,937.33
Cash & Cash Equivalents at the beginning of the year	25,263.46
Cash & Cash Equivalents at the end of the year	31,200.80

for and on behalf of the Board of Directors


Shashindra Bhat
DIRECTOR
DIN: 00696157



K Madhava Kim
DIRECTOR
DIN: 01228607

As per our report of even date

For MOHAN & NARAYAN

Chartered Accountants

Firm Registration No. 0020935


V NARAYAN
Partner

Membership No : 018418

UDIN : 25018418BPTXTX1098

Place : Bangalore
Date : 28.07.2025



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NOTE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2025.

1 Significant Accounting policies:

1.1 Accounting Concept :

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India to comply with the Accounting Standards specified u/s. 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The financial statements have been prepared on accrual basis under the historical cost convention. The Accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Revenue Recognition:

All income and expenditure which have material bearing on the financial statements are recognised on accrual basis. The Dividend on shares has been accounted on receipt basis.

1.3 Fixed Assets

Fixed Assets are capitalized at cost.

1.4 Depreciation:

Depreciation on Fixed Assets is provided on a "Straight Line Method" as per the useful life prescribed in Schedule II of the Companies Act, 2013.

1.5 Investments:

Investments that are readily realisable and are intended to be held for not more than one year are classified as current investments. All other investments are classified as Non Current Investments.

Current investments are carried at cost or fair value, whichever is lower. Non Current Investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.



Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the assets are identified and impairment loss is recognised if it is material.

1.6 Employee benefits:

Employees appointed on other than contractual basis are entitled to benefits, wherever applicable, but subject to deduction of statutory taxes.

1.7 Provision for Income Tax:

Provision for Income Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

1.8 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the average number of equity share outstanding during the year.



CANARA STEEL LIMITED

CIN: U27104KA1973PLC002316

N-301, NORTH BLOCK, MANIPAL CENTRE, 47, DICKENSON ROAD, BANGALORE - 560042

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED 31'st MARCH 2025

Note 2.01 : Share Capital

Sub Note A : Authorised, Issued, Subscribed and Paid up Share Capital

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025		As at 31st March 2024	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs.10/- each	4000000	40,000.00	4000000	40,000.00
Issued, Subscribed & Paid up				
Equity Shares of Rs.10/- each	3853060	38,530.60	3907650	39,076.50
Total	3853060	38,530.60	3907650	39,076.50

1. During the year, there was buy back of shares of the nature mentioned in clause (i) of note 6A of general instructions to Schedule VI (Refer Note no 2(a)).

Sub Note B: Rights, Preferences and Restrictions attached to Shares:

Equity Shares: The Company has one class of equity shares having par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

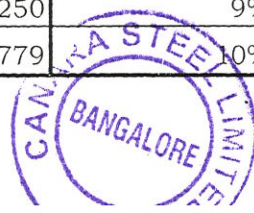
Sub Note C : Reconciliation of number of Shares at the beginning and end of the year

(Amount in Rs. In Thousands)

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3907650	39,076.50	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	54590	545.90	-	-
Shares outstanding at the end of the year	3853060	38,530.60	-	-

Sub Note D : Shares in the Company held by each Shareholder in excess of 5%:

Name of Shareholder	As at 31st March 2025		As at 31st March 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Manipal Holdings Pvt. Ltd.	739840	19%	739840	19%
Maharashtra Apex Asset Management Company Ltd.	400000	10%	400000	10%
Mangala Investments Ltd	315850	8%	315850	8%
Mrs. Jaya S Pai	362250	9%	362250	9%
Manipal Home Finance Limited	380779	10%	380779	10%



Note 2.02 : Reserves & Surplus
(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
a. Capital Reserve		
Balance as at the beginning of the year	1,990.11	1,990.11
Balance as at the end of the year	1,990.11	1,990.11
b. Security Premium		
Balance as at the beginning of the year	1,30,627.23	1,30,627.23
Less: Utilised for buy back of equity shares (refer note (a) below)	(2,183.60)	-
Balance as at the end of the year	1,28,443.63	1,30,627.23
c. General Reserve		
Balance as at the beginning of the year	21,800.44	21,800.44
Less : Transferred to CRR on account of buy back of shares	(545.90)	-
Balance as at the end of the year	21,254.54	21,800.44
d. Surplus in the Statement of Profit & Loss		
Balance as at the beginning of the year	(40,928.80)	(58,173.17)
Add : Net Profit/(Net Loss) for the Current Year	20,406.72	17,244.37
Balance as at the end of the year	(20,522.08)	(40,928.80)
e. Capital Redemption reserve (refer note (a) below)		
Balance at the beginning of the year	-	-
Transferred from General Reserve on account of buy back of shares	545.90	-
Balance as at end of the year	545.90	-
TOTAL	1,31,712.10	1,13,488.98

Note (a): On September 30, 2024 the Company has passed a resolution approved by its members for buy back of up to 7,62,773 fully paid up equity shares of face value Rs. 10/- (representing 19.52% of the total issued and paid up equity shares of the company) at a price of Rs. 50 per equity share ("Buy Back Offer Price"). Accordingly, the offer for buy back of shares were opened on January 6, 2025 and closed on February 04, 2025. Consequently, 54,590 fully paid up equity shares of face of Rs. 10/- each were bought back at Rs. 50 per equity shares.



Note 2.03 : Deferred Tax Liabilities/(Asset)

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
Deferred Tax Liabilities	3.84	19.32
Current Deferred Tax Liabilities / (Assets)	(7.31)	(15.48)
Deferred Tax Liabilities/(Asset)	(3.47)	3.84

Note 2.04 : Other Long Term Liabilities

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
Security Deposits Received		
- Others	7,725.21	4,157.60
TOTAL	7,725.21	4,157.60

Note 2.05 : Trade Payable

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
Dues of Creditors Other than ME & SE		
- Less than 1 Year	-	200.49
TOTAL	-	200.49

Note 2.06 : Other Current Liabilities

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
(a) Statutory dues Payable	308.51	502.25
(b) Security Deposits Received		
- Others	6,080.00	7,070.58
TOTAL	6,388.51	7,572.83

Note 2.07 : Short Term Provisions

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
Provision for Taxation	7,100.00	5,600.00
Liabilities for Expenses	50.00	50.00
TOTAL	7,150.00	5,650.00



CANARA STEEL LIMITED

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Note 2.08 : Property, Plant & Equipments

(Amount in Rs. In Thousands)

	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 1 April 2024	Additions/ (Disposals)	Balance as at 31 March 2025	Balance as at 1 April 2024	Depreciation	Deletion	Balance as at 31st March 2025	Balance as at 31st March 2024	Balance as at 31 March 2025
	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
Fixed Assets									
a Tangible Assets									
Land	658.91	-	658.91	-	-	-	-	658.91	658.91
Building	2,017.61	-	2,017.61	894.47	31.95	-	926.42	1,123.14	1,091.19
Total	2,676.52	-	2,676.52	894.47	31.95	-	926.42	1,782.05	1,750.10



Note 2.09 : Non Current & Current Investments

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025		As at 31st March 2024	
	Number	Amount	Number	Amount
INVESTMENTS				
Un Quoted (Valued at Cost)				
NON-CURRENT				
a) Investments in Unquoted Shares				
Manipal Holdings Pvt Ltd (Equity Shares of Rs. 10/- each)	230	23,000.00	230	23,000.00
Jitendra Harjivandas Sec Pvt Ltd (Equity Shares of Rs. 10/- each)	615000	16,774.13	615000	16,774.13
General Investment & Commercial Corporation Ltd (Equity Shares of Rs. 10/- each)	43900	4,170.50	43900	4,170.50
Less: Provision for diminution in value of Investment		(20,068.61)		(20,123.01)
TOTAL - A		23,876.02		23,821.62
b) Investments in Other Funds				
IIFL Special Opportunities Fund - Series 4	9,85,936.759	692.49	9,85,936.759	2,768.45
TOTAL - B		692.49		2,768.45
Total of Non-Current Investments (A + B)		24,568.51		26,590.07
a) Investments in Mutual Funds				
Non-Current				
Nippon India Mutual Fund-Growth	26,80,136.32	75,822.42		-
Current				
Nippon India Mutual Fund-Growth		-	14,05,864.266	37,322.42
TOTAL - C		75,822.42		37,322.42
TOTAL (A + B + C)		1,00,390.93		63,912.49



Sub Note B : Aggregate amount

(Amount in Rs. In Thousands)

Particulars	As at 31st March 2025	As at 31st March 2024
a) Aggregate Cost of Unquoted Investments (Current Value - CY: Rs.2,38,76,015/- ,PY: Rs. 2,38,21,620/-)	43,944.63	43,944.63
b) Aggregate Cost of Investments in Other Funds (Current Value - CY: Rs.7,50,495/- ,PY: Rs. 50,11,319/-)	692.49	2,768.45
c) Aggregate Cost of Investments in Mutual Funds (Current Value - CY: Rs.8,52,16,299/- ,PY: Rs.4,31,04,372/-)	75,822.42	37,322.42

Sub Note C : Details of provision for diminution in value of Investments

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
Non-Trade - Unquoted	20,068.61	20,123.01
TOTAL	20,068.61	20,123.01

Note 2.10 : Non-Current/ Current Trade Receivables

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
Current		
- Unsecured, considered good		
Outstanding for following periods from due date of payment		
- up to 6 months	2,389.13	2,081.02
- Above 6 months	46.80	-
TOTAL - A	2,435.93	2,081.02
Non-Current		
- Unsecured, considered good		
Outstanding for following periods from due date of payment		
- 1 - 2 Years	-	-
- 2 - 3 Years	-	2,017.91
- Above 3 Years	-	-
TOTAL - B	-	2,017.91
TOTAL (A + B)	2,435.93	4,098.93

Note 2.11 : Long Term Loans and Advances

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
Unsecured, Considered Good		
(a) Capital Advance	8,025.00	9,325.00
(b) Loans & Advances		
- Corporate	40,753.38	44,657.99
- Individual	-	15,055.14
TOTAL	48,778.38	69,038.13



Note 2.12 : Other Non Current/ Current Assets

(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
Non-Current		
(a) Advance Tax & TDS	353.59	353.59
(b) Security Deposit	519.36	519.36
(c) Other Receivables	35.00	35.00
Total - A	907.95	907.95
Current		
a. Advance Tax & TDS	5,784.91	5,145.05
b. Balances with Government Authorities (other than IT)	-	2.18
c. Interest Accrued but not due	3.85	-
d. Income Receivable - IIFL	229.98	-
e. Other Recoverable	20.13	-
Total - B	6,038.87	5,147.23
TOTAL (A + B)	6,946.82	6,055.18

Note 2.13 : Cash & Bank Balances

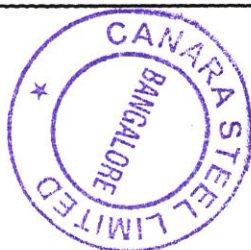
(Amount in Rs. In Thousands)

PARTICULARS	As at 31st March 2025	As at 31st March 2024
Cash & Cash Equivalents		
a. Balances with Banks		
- in Current Account	7,294.10	1,032.77
- in Fixed Deposits up to 12 months maturity period	23,700.00	11,700.00
b. Cash on hand	206.69	230.69
c. Balance in Fixed Deposits above 12 months maturity period	-	12,300.00
TOTAL	31,200.79	25,263.46

Note 2.14 : Other Income

(Amount in Rs. In Thousands)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
a. Dividend Income	219.50	-
b. Income Received from IIFL	1,891.85	792.23
c. Interest Received - Bank	2,069.50	335.18
d. Interest Received - Others	4,318.81	4,928.28
e. Net Gain/(Loss) on Sale of Investments	-	570.24
f. Profit on sale of Fixed Assets	-	1.17
g. Miscellaneous Income	-	15.35
TOTAL	8,499.66	6,642.45



Note 2.15 : Employees Benefit Expenses

(Amount in Rs. In Thousands)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Salaries and Bonus	204.00	204.00
TOTAL	204.00	204.00

Note 2.16 : Finance Cost

(Amount in Rs. In Thousands)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Bank Chages	0.96	1.42
TOTAL	0.96	1.42

Note 2.17 : Other Expenses

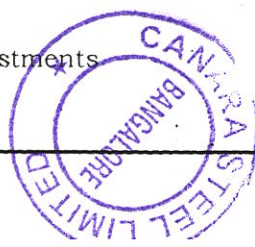
(Amount in Rs. In Thousands)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
a. Legal & Professional Charges	3,913.24	2,932.13
b. Payment to Auditor for		
i) Audit	50.00	50.00
ii) Other Services	15.00	-
c. Maintenance Charges paid - KIADB	-	73.62
d. Rent Paid	1,336.19	1,666.80
e. Rates & Taxes	46.26	255.36
f. Miscellaneous Expenses	127.51	81.43
g. Service Charges Paid	609.98	863.61
h. Advertising Charges Paid	176.13	-
i. Travelling & Conveyance	19.65	85.67
j. PMS Expenses	51.85	48.46
k. Bad Debts Written Off	-	57.71
TOTAL	6,345.81	6,114.79

Note 2.18 : Exceptional Items

(Amount in Rs. In Thousands)

PARTICULARS	For the year ended 31.03.2025	For the year ended 31.03.2024
Income:		
Provision for Diminution in value of Investments written back	54.40	218.09
TOTAL - A	54.40	218.09
Expenses:		
Provision for Diminution in value of Investments	-	-
TOTAL - B	-	-
Exceptional Items (Net)	54.40	218.09
TOTAL (A-B)	54.40	218.09



2.19 Earning per Share is calculated by dividing the profit attributable to the equity shareholders by the number of equity shares as under (AS 20):

(Amount in Rs.)		
Particulars	2024-2025	2023-2024
Net Profit/(Loss) after Tax	2,04,06,722	1,72,44,369
Add(+)/Less(-) Prior Year Adjustments	Nil	Nil
Net Profit/ (Loss) attributable to Equity Share Holders	2,04,06,722	1,72,44,369
Number of equity shares used as denominator for calculating Basic EPS	3853060	3907650
Basic Earning Per Share of Rs.10/- each	5.30	4.41

2.20 The requirement of Accounting Standard 17 on Segment Reporting is not applicable to the Company for the year ended 31st March 2025.

2.21 As per Accounting Standard 18 as notified under the Companies (Accounting Standards) Rules, 2006, the disclosures of transaction with the related parties are given below:-

a. List of Related parties and Relationship:

Relationship	Related Parties
Key Management Personnel	a) Sri S R Gowda b) Sri Sashindra Bhat c) Sri Katpady Madhava Kini d) Sri Jagadish Kudva

b. Related Party transactions: NIL

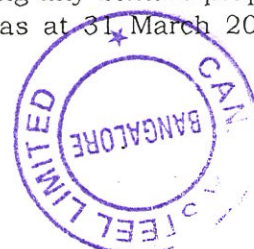
2.22 There are no dues to Micro, Small and Medium Enterprises during the year. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2025, is not applicable.

2.23 Since the Company has contract employee, the benefits like gratuity & leave encashments are not applicable.

2.24 OTHER STATUTORY INFORMATION

1. The Company hold immovable properties as on 31 March 2025 and 31 March 2024. All the lease agreements are duly executed in favour of the Company for properties where the Company is the Lessee.

2. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2025 and 31 March 2024.



3. The Company is not a declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2025 and 31 March 2024.
4. The Company do not have any transactions with struck off companies.
5. The Company has no borrowings from banks and/ or financial institutions on the basis of security of current assets.
6. There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2025 and 31 March 2024, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of accounts during the year ended 31 March 2025 and 31 March 2024.
7. The Company has not traded or invested in Cripto Currency or Virtual Currency during the year ended 31 March 2025 and 31 March 2024.
8. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
9. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall;
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
10. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
11. The Company has complied with the number of layers prescribed under clause 87 of the Section 2 of the Act, read with the Companies (Restriction on number of Layes) Rules, 2017.
12. The Company has no borrowings from banks and financial institutions during the year.
13. There is no scheme of arrangements that has been approved in terms of Section 230 to 237 of the Companies Act, 2013 during the year.
14. The Company is not covered under Section 135 of the Companies Act, 2013 with regard to CSR activities.




15. Ratio Analysis

Sl. No.	Ratio	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	Variance
1	Current Ratio	Current Assets	Current Liabilities	2.93	2.42	0.51
2	Debt - Equity Ratio	NA	NA	NA	NA	NA
3	Debt Service Coverage Ratio	NA	NA	NA	NA	NA
4	Return on Equity Ratio	Net Profit after Taxes	Avg Share Holders Equity	0.13	0.00	0.13
5	Inventory Turnover Ratio	NA	NA	NA	NA	NA
6	Trade Receivable Turnover Ratio	Net Sales	Avg. Trade Receivables	11.32	0.02	11.31
7	Trade Payable Turnover Ratio	Purchases and other expenses	Avg. Trade Payable	NA	NA	NA
8	Net Capital Turnover Ratio	Renueue from Operation	Avg Working Capital	0.98	1.15	-0.18
9	Net Profit Ratio	Net Profit after Taxes	Renueue from Operation	0.798	0.784	0.014
10	Return on Capital Employed	Earning before interest and taxes	Capital Employed	0.16	0.15	0.01
11	Return on Investments	NA	NA	NA	NA	NA

2.25 The Company has adopted the Tax computation U/s.115BAA with effect from the FY 2022-23.

2.26 The figures of previous year have been suitably regrouped and/or rearranged wherever necessary.

For and on behalf of Board of Directors


Shashindra Bhat
DIRECTOR
DIN: 00696157


K Madhava Kini
DIRECTOR
DIN: 01228607

Place : Bangalore
Date : 28.07.2025



As per our report of even date
For MOHAN & NARAYAN
Chartered Accountants
Firm Registration No. 002093S


V NARAYAN
Partner
Membership No : 018418
UDIN : 25018418BPTXTX1098

MOHAN AND NARAYAN

CHARTERED ACCOUNTANTS

PARTNERS

C.RAMA MOHAN, B.Sc, F.C.A

V.NARAYAN, B.Sc, F.C.A

No. 26 (Old No. 6)

2nd Floor, 3rd Cross,

8th Main Road

Sadhashivanagar

Bangalore 560080

Ph: 080 23311631

INDEPENDENT AUDITORS' REPORT

To

The Members of

M/s. CANARA STEEL LIMITED

Report on the Audit of the Financial Statements

Opinion

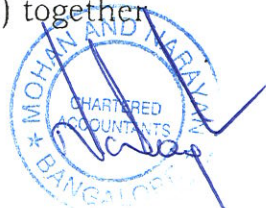
We have audited the accompanying financial statements of **M/s. CANARA STEEL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that day, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its **Profit** and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SA) specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together



MOHAN AND NARAYAN

CHARTERED ACCOUNTANTS

PARTNERS

C.RAMA MOHAN, B.Sc, F.C.A

V.NARAYAN, B.Sc, F.C.A

No. 26 (Old No. 6)

2nd Floor, 3rd Cross,

8th Main Road

Sadhashivanagar

Bangalore 560080

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with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



PARTNERS

C.RAMA MOHAN, B.Sc, F.C.A

V.NARAYAN, B.Sc, F.C.A

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or



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PARTNERS

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conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

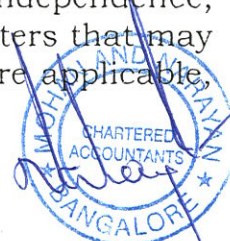
Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management discussion and analysis, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

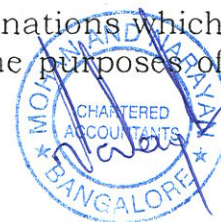
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



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(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with books of account.

(d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

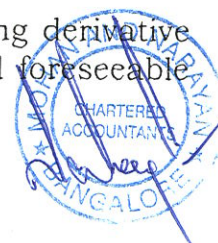
(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, the said provision is not applicable to the Company.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us;

i. The Company does not have any pending litigations as at year end which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at the year-end for which there were any material foreseeable losses; and



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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.



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(vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31.03.2025, which has a feature of recording audit trail (Edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software's. Further, during the course of our audit, we did not come across any instance of the audit trail features being tampered with and trail has been preserved by the company as per statutory requirements for record retention.

For MOHAN & NARAYAN

Chartered Accountant

Firm Registration No. 002093S



V NARAYAN

Partner

Membership No : 018418

UDIN : 25018418BPTXTX1098

Place of Signature : Bangalore

Date of Report : 28.07.2025

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ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of
M/s. CANARA STEEL LIMITED of even date

In our Opinion and according to the information and explanations given to us and on the basis of our verification of the records of the Company, we report that

(i) In respect of the Company's Property, Plant & Equipment and Intangible Assets:

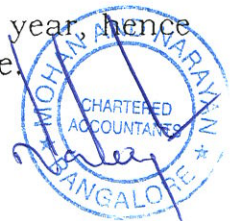
(a) The Company does not have any Plant & Equipment & Intangible Assets, hence clauses 3(i)(a) & (b) of the Order are not applicable to the Company.

(c) Based on our examination of registered sale deed/ transfer deed provided to us, we report that, title deeds of all immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under the Property, Plant & Equipment are held in the name of the Company as at the balance date.

(d) The company has not revalued any of its properties during the year, hence, Clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated during the year, or are pending against the company as at March 31, 2025, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under, hence, Clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The Company does not have any inventory during the year, hence reporting under clause 3(ii)(a) of the Order is not applicable.



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(b) During the year, the company has not availed any working capital limits from banks or financial institutions on the basis of security of current assets; hence, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) The company has granted unsecured loans to companies during the year.

(a) The aggregate amount during the year and balance outstanding at the balance sheet date with respect to such loans & advances to Companies are Rs. 0.40 Crores and Rs. 4.08 Crores respectively.

(b) The terms and conditions of the grant of all loans are not prejudicial to the interest of the Company.

(c) In respect of loans, the repayment of principal is on demand and payment of interest on regular intervals have been stipulated and the repayments or receipts are regular.

(d) In respect of the loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) Loan granted by the Company which has fallen due during the year, has not been renewed or extended or no fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, during the year, hence reporting under Clause 3(iii)(f) is not applicable.

The Company has not made any investments in, provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties and not granted any advances in the nature of loans, secured or unsecured, to firms, Limited Liability Partnerships, Other Parties and also the Company has no subsidiaries, joint ventures and associates.

(iv) During the year, in respect of loans, the Company has complied with the provisions of Section 185 and 186 of the Act. However, the Company has not provided any guarantees or given any security or made any investments to which the provisions of Section 185 & 186 of the Act are applicable.



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(v) The Company has neither accepted any deposits from the public, nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the activities of the company and accordingly clause 3(vi) of the order is not applicable.

(vii) In respect of statutory dues:

- a. The amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-Tax, Goods and Service Tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

No undisputed amounts payable in respect of above referred statutory dues were in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- b. There are no statutory dues as referred in sub clause (a) have not been deposited on account of any dispute.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) The Company has no outstanding dues in loans or borrowings to any financial institutions or banks or any government or any lender during the year. Accordingly, clause 3(ix) of the Order is not applicable.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.



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(xi) (a) No material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

(b) According to the information and explanation given to us, report under sub-section (12) of section 143 of the Companies Act, 2013 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the company.

(c) As represented to us by the management, the company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Companies Act, 2013 or SEBI LODR regulations and accordingly reporting under clause 3(xi)(c) of the Order is not applicable.

(xii) The Company is not a Nidhi Company and accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company has not entered any related party transactions within the meaning of Section 188 of Companies Act, 2013 during the year. Hence, clause 3(xiii) of the Order is not applicable. Further, the provisions of Section 177 of the Act are not applicable as the Company is not a listed/ such other class of the company as prescribed by the Act.

(xiv) The Company is not required to have an internal audit system commensurate with the size and nature of its business, hence, Clause 3(xiv) of the Order is not applicable.

(xv) The Company has not entered non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted any Non-Banking financial or Housing Finance activities. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) and (d) of the Order are not applicable.



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(xvii) The Company has not incurred any cash losses in the financial year and also in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditor during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

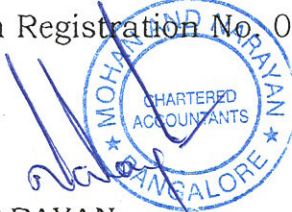
(xx) The provisions of Sec.135 of the Companies Act, and the Clause 3(xx) of the Order is not applicable to the Company.

(xxi) There is no requirement to the Company to prepare the consolidated financial statements hence the Clause 3(xx) of the Order is not applicable.

For MOHAN & NARAYAN

Chartered Accountant

Firm Registration No. 002093S



V NARAYAN

Partner

Membership No : 018418

UDIN : 25018418BPTXTX1098

Place of Signature : Bangalore

Date of Report : 28.07.2025

MOHAN AND NARAYAN

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ANNEXURE – B

TO THE INDEPENDENT AUDITOR'S REPORT

(referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements section of our report to the Members of M/s. CANARA STEEL LIMITED of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

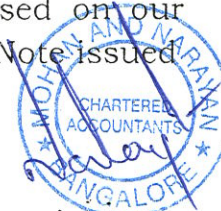
We have audited the internal financial controls over financial reporting of **M/s. CANARA STEEL LIMITED** ("the Company"), as of March 31, 2025, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to companies' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued



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by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the

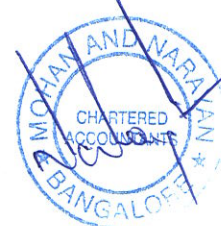
Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that –



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1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and Directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, based on the criteria for internal financial



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control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For MOHAN & NARAYAN

Chartered Accountant

Firm Registration No. 002093S



V NARAYAN

Partner

Membership No : 018418

UDIN : 25018418BPTXTX1098

Place of Signature : Bangalore

Date of Report : 28.07.2025