ARSK & ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of **B.S. SPONGE PRIVATE LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **B.S. SPONGE PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at **31st March, 2024**, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 **31st March, 2024**, the profit 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 (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Directors' Report (including annexures), 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 such other information is materially inconsistent with the financial statement or our knowledge obtained in the 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.

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Responsibilities of Management and Those Charged with Governance for the Financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 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 standards specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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 skepticism 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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.

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.

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 of India 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.
2. As required by Section 143(3) of the Act, 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;

(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, the ~~Cash Flow~~ Statement dealt with by this Report are in agreement with the books of account;

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(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 (as amended);

(e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors as on 31st March, 2024 are disqualified 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) 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 has disclosed the impact of pending litigation on its financial position in its financial statement – Refer Note No. 33 to the financial statement.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses.

iii. There are no such amounts, 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 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 persons or entities, 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 have been received by the Company from any persons or entities, 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; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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v. The Company has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software system for maintaining its books of account for the financial year ended 31st March, 2024 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 system. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

3. The provisions of section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the said section is not applicable to the Company.

For ARSK & Associates
Chartered Accountants
Firm's Reg. No.: 315082E

ARSK & ASSOCIATES
Kolkata

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place: Kolkata
Date: 25th day of September, 2024
UDIN: 24054615BKCQUL2303

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Annexure – "A" TO THE INDEPENDENT AUDITOR'S REPORT (B.S. SPONGE PRIVATE LIMITED)

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **B.S. SPONGE PRIVATE LIMITED** of even date)

In terms of the information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

1. (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   B. As the Company does not hold any intangible asset, reporting under clause 3(i)(a)(B) of the Order is not applicable.

   (b) The Property, Plant and Equipment have been physically verified by the management during the year, which, in our opinion, provides for physical verification at reasonable intervals. As informed, no material discrepancies were noticed on such verifications.

   (c) The title deed of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of lessee), as disclosed in Notes of Property, Plant and Equipment to the financial statements, are held in the name of the Company.

   (d) The Company has not revalued any of its property, plant and equipment during the year.

   (e) As per the information and explanations given to us by the management, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

   (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of the security of current assets. Return or statements filled quarterly with such bank are in agreement with books of accounts other than those as disclosed in the Note No - 39 to the financial statements and the set out below:

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(Rs. In Lakhs)

Date	Particulars	Amount as per books	Amount as reported in the quarterly statements/ returns	Difference #
Quarter-I (30.06.2023)	Inventories (incl. advance given to supplier of raw material)	26,064.21	28,031.40	(1,967.19)
	Trade Payables for raw materials*	93.70	45.53	48.17
	Trade Receivables	1,857.44	1,941.29	(83.85)
	Advance from customers	157.49	234.36	(76.86)
Quarter-II (30.09.2023)	Inventories	19,861.69	19,851.65	10.04
	Advance given to supplier of raw materials	6,257.44	5,370.04	887.40
	Trade Payables for raw materials	2,492.81	2,573.25	(80.44)
	Trade Receivables	4,243.16	4,348.57	(105.40)
	Advance from customers	166.53	242.70	(76.17)
Quarter-III (31.12.2023)	Inventories	20,194.64	20,106.60	88.04
	Advance given to supplier of raw & store materials	5,259.86	5,280.19	(20.32)
	Trade Payables for raw materials	2,433.38	1,893.97	539.41
	Trade Receivables	3,584.43	3,610.76	(26.33)
	Advance from customers	191.82	187.92	3.90
Quarter-IV (31.03.2024)	Inventories	20,843.23	20,843.23	0.00
	Advance given to supplier of raw & store materials	6,187.38	5,904.37	283.01
	Trade Payables for raw materials & stores	2,945.09	2,533.10	411.99
	Trade Receivables	2,702.79	2,797.18	(94.38)
	Advance from customers	64.66	75.22	(10.56)

* Trade Payables does not include balances of parties to whom letter of credit has been issued.

The bank returns were prepared and filed before the completion of all financial statement closure activities including adjustments / reclassifications related to Accounting Standards, as applicable, which led to these differences between final books of accounts and the bank return which were based on provisional books of accounts.

The Company has not been sanctioned any working capital facility from any financial institution.

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3. (a) The Company has granted unsecured loan to a company during the year, in respect of which:

(Rs. In Lakhs)

Particulars	Loans
A. Aggregate amount granted / provided during the year:	
- Subsidiaries	NIL
- Joint Ventures	NIL
- Associates	NIL
- Others	150.00
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	NIL
- Joint Ventures	NIL
- Associates	NIL
- Others	204.07

The Company has not provided any guarantee or security or granted any advances in the nature of loans to any other entity during the year.

(b) The terms and conditions of the grant of loan provided and investment made are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has granted loans which are payable on demand. During the year the Company has received repayments of loan as and when demanded. Having regard to the fact that the repayment of principal or payment of interest has been received when demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.

(d) According to information and explanations given to us, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) According to the information and explanations given to us, no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has granted unsecured loans to a related party which is repayable on demand, details of which are given below:

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Particulars	All parties (including related parties)	Promoters	Related Parties
Aggregate of loans			
- Repayable on demand (A)	150.00	-	150.00
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	150.00	-	150.00
Percentage of loans to the total loans	100.00 %	-	100.00%

4. According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

5. According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

7. (a) According to the information and explanation given to us and the books and records examined by us, the company is regular in depositing with the appropriate authorities the undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues as applicable to the Company.

   There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute is given below :

Statute	Nature of dues	Amount (Rs.'Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Central Excise	10.16	January' 2017 to June' 2017	Commissioner (Appeals), Central GST, Central Excise & Service Tax

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8. According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

9. (a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

   (b) According to the information and explanations provided to us, the Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

   (c) According to the information and explanations provided to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

   (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

   (e) According to the information and explanations provided to us, the Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order are not applicable.

   (f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable.

10. (a) According to the information and explanation given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

    (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

11. (a) According to the information and explanations given to us, and to the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

    (b) According to the information and explanations given to us, and to the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

    (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

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12. In our opinion and according to the information and the explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.

13. In our opinion, the Company is in compliance with Section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. Further the provisions of section 177 of the Companies Act, 2013 is not applicable to the Company.

14. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) The reports of the Internal Auditor for the period under audit has been considered by us.

15. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

(b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

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

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs which are a part of the Group. We have not, however, separately evaluated whether the information provided by the Management is accurate and complete. Accordingly, the requirements of clause 3(xvi)(d) are not applicable to the Company.

17. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

18. There has not been any resignation of the statutory auditors of the Company during the year and hence clause 3(xviii) of the Order is not applicable.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance

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Annexure – "A" TO THE INDEPENDENT AUDITOR'S REPORT (B.S. SPONGE PRIVATE LIMITED)

sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. (a) In our opinion and according to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company for the year.

(b) In our opinion and according to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company for the year.

21. According to the information and explanation given to us, the Company is not required to prepare the consolidated financial statements as per the provisions of the Companies Act, 2013. Hence reporting under the clause 3(xxi) is not applicable.

For ARSK & Associates
Chartered Accountants
Firm's Reg. No.: 315082E

ARSK & ASSOCIATES Kolkata Chartered Accountants

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Date : 25th day of September, 2024

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Annexure – "B" TO THE INDEPENDENT AUDITOR'S REPORT (B.S. SPONGE PRIVATE LIMITED)

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **B.S. SPONGE PRIVATE 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 **B.S. SPONGE PRIVATE LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors 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 issued by the Institute of Chartered Accountants of India. 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, 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 judgement, including the assessment of the risks of material misstatement of the AS 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.

ARSK & ASSOCIATES Chartered Accountants

ARSK & ASSOCIATES
CHARTERED ACCOUNTANTS

Unimark Asian, 16th Floor
52/1, Shakespeare Sarani
Kolkata - 700 017
Tel : (91) (33) 4095-2000
E-mail : info@arsk.in

Annexure – "B" TO THE INDEPENDENT AUDITOR'S REPORT (B.S. SPONGE PRIVATE LIMITED)

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 (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 income and expenditures of the company are being made only in accordance with authorizations of 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.

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 March 31, 2024, 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 issued by the Institute of Chartered Accountants of India.

For ARSK & Associates
Chartered Accountants
Firm's Reg. No.: 315082E

ARSK & ASSOCIATES Kolkata Chartered Accountants

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Date : 25th day of September, 2024

B.S. SPONGE PRIVATE LIMITED
CIN : U27102WB2000PTC091975
Balance Sheet as at 31st March, 2024

(Amount in Rs. Lacs)

Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	2	537.11	537.11
Reserves and Surplus	3	38,757.08	24,181.69
		39,294.19	24,718.80
2 Non-Current Liabilities			
Long term borrowings	4	29,689.23	24,394.62
Deferred tax liabilities (Net)	5	2,343.75	3,401.58
Long-term provision	6	192.41	136.63
		32,225.39	27,932.82
3 Current Liabilities			
Short term borrowings	7	20,573.11	12,109.99
Trade payables	8		
- Total outstanding dues of micro enterprises and small enterprises		113.53	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,831.56	1,956.50
Other current liabilities	9	3,789.54	3,057.42
Short-term provision	10	295.25	867.68
		27,602.99	17,991.58
TOTAL		**99,122.57**	**70,643.21**
II. ASSETS			
1 Non-Current Assets			
Property, plant & Equipment	11	52,629.08	35,649.00
Capital work-in-progress	12	10,038.38	8,401.89
Non-current investment	13	40.65	33.21
Long term loans and Advances	14	2,348.00	426.80
Other non-current assets	15	1,543.20	925.12
		66,599.30	45,436.03
2 Current Assets			
Inventories	16	20,843.23	14,403.88
Trade receivables	17	2,702.79	2,024.96
Cash and Cash equivalents	18	1,124.34	78.44
Short-term loans and Advances	19	7,570.30	8,133.48
Other current assets	20	282.62	566.43
		32,523.27	25,207.18
TOTAL		**99,122.57**	**70,643.21**
Significant Accounting Policies	1		
Notes form an integral part of the financial statements			

As per our Report of even date attached

For ARSK & Associates
Chartered Accountants
Firm Registration No. 315082E

M/S. B. S. SPONGE PVT. LTD.

For and on behalf of the Board of Directors

M/S. B. S. SPONGE PVT. LTD.

Director

Director

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Parmanand Agarwal
Director
DIN: 00585415

ARSK & ASSOCIATES Kolkata

Ashish Agarwal
Director
DIN: 01218609

Place: Kolkata
Date : 25th day of September, 2024

B.S. SPONGE PRIVATE LIMITED
CIN : U27102WB2000PTC091975
Statement of Profit & Loss for the year ended 31st March, 2024

(Amount in Rs.'Lacs)

	Particulars	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
I	Revenue from operations	21	1,49,438.96	81,246.22
II	Other income	22	173.15	104.28
III	**Total income (I+II)**		**1,49,612.11**	**81,350.50**
IV	**Expenses**			
	Cost of materials consumed	23	1,02,628.70	53,814.29
	Purchases of Stock-in-Trade		44.47	-
	Changes in inventories	24	(920.85)	171.96
	Employee benefits expenses	25	4,645.17	2,583.12
	Finance costs	26	4,273.59	2,136.74
	Depreciation & amortisation expense	11	6,137.95	3,089.86
	Other expenses	27	14,474.29	8,408.44
V	**Total expenses**		**1,31,283.33**	**70,204.41**
VI	**Profit before tax (III - V)**		**18,328.78**	**11,146.09**
VII	**Tax expenses**			
	Current Tax		4,731.55	2,833.37
	Deferred Tax		(1,057.83)	1,524.92
	Tax adjustment for earlier year		79.67	(1.59)
VIII	**Profit for the year (VI-VII)**		**14,575.39**	**6,789.39**
	Earnings per equity share :	28		
	Basic (in Rs.)		310.50	144.64
	Diluted (in Rs.)		310.50	144.64
	Significant Accounting Policies	1		
	Notes form an integral part of the financial statements			

As per our Report of even date attached

For ARSK & Associates
Chartered Accountants
Firm Registration No. 315082E

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place: Kolkata
Date : 25th day of September, 2024

For and on behalf of the Board of Directors

M/S. B. S. SPONGE PVT. LTD.
Director
Parmanand Agarwal
Director
DIN: 00585415

M/S. B. S. SPONGE PVT. LTD.
Director
Ashish Agarwal
Director
DIN: 01218609

ARSK & Associates Chartered Accountants Kolkata

B. S. SPONGE PRIVATE LIMITED
CIN : U27102WB2000PTC091975
Statement of Cash Flow for the year ended 31st March, 2024

(Amount in Rs.'Lacs)

Particulars	For the Year ended 31.03.2024		For the Year ended 31.03.2023	
I.Cash Flow From Operating Activities				
Profit before Tax		18,328.78		11,146.09
Adjustments for :				
Depreciation	6,137.95		3,089.86	
Finance cost	3,818.36		1,932.61	
Bad debts written off	53.72		-	
Sundry balances written off	134.93		50.86	
GST credit written off	51.77		-	
Sundry balances written back	(20.80)		(30.27)	
Interest income	(126.29)		(64.58)	
Provision for gratuity	61.23	10,110.87	39.30	5,017.79
Operating Profit before Working Capital Changes		28,439.65		16,163.88
Adjustments for :				
(Increase) / Decreaase in Inventory	(6,439.35)		(6,779.79)	
(Increase) / Decrease in Trade Receivables	(731.55)		(1,225.35)	
(Increase) / Decrease in Short Term Loans & Advances	428.25		4,962.97	
(Increase) / Decrease in Other Current Assets	232.03		(343.22)	
Increase / (Decrease) in Trade Payables	1,009.39		661.79	
Increase / (Decrease) in Other Current Liabilities	732.12		2,569.64	
Increase / (Decrease) in Short Term Provisions	(1.24)		(2,320.80)	
		(4,770.35)		(2,474.76)
Net Cash Flow from Operation		23,669.31		13,689.12
Less: Tax Paid/Adjusted		5,387.86		1,972.57
Net Cash Flow from Operating Activities (A)		**18,281.45**		**11,716.55**
II.Cash Flow From Investing Activities				
Purchase of Property, Plant & Equipment	(23,118.02)		(617.17)	
Expenditure on Capital Work in Progress (Net)	(1,636.48)		(24,489.22)	
Purchase of Non- Current Investment	(7.44)		-	
(Increase) of Other non-current assets	(618.07)		(91.54)	
Repayment of Long Term Loans & Advances	(1,921.20)		(407.06)	
Interest income	126.29		64.58	
Net Cash Flow from Investing Activities (B)		**(27,174.93)**		**(25,540.40)**
III.Cash Flow From Financing Activities				
Proceeds from Borrowings (net)	13,757.74		15,532.90	
Finance cost	(3,818.36)		(1,932.61)	
Net Cash Flow from Financing Activities (C)		**9,939.38**		**13,600.28**
Increase(Decrease) in Cash & Cash equivalents (A+B+C)		**1,045.90**		**(223.56)**
Cash & Cash equivalent as at beginning of the year		**78.44**		**302.01**
Cash & Cash equivalent as at the year end		**1,124.34**		**78.44**

As per our Report of even date attached

For ARSK & Associates
Chartered Accountants
Firm Registration No. 315082E

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place: Kolkata
Date : 25th day of September, 2024

For and on behalf of the Board of Directors

M/S. B. S. SPONGE PVT. LTD.

Director

Parmanand Agarwal
Director
DIN: 00585415

M/S. B. S. SPONGE PVT. LTD.

Director

Ashish Agarwal
Director
DIN: 01218609

ARSK & ASSO Kolkata Chartered Accountants

B. S. SPONGE PRIVATE LIMITED
Notes forming part of the financial statement for the year ended 31st March 2024

1 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the applicable Accounting Standards notified under Section 133 of the the Companies Act, 2013 read with Rule 7 of Companies (Accounts Rules), 2014 under historical cost convention on accural basis. The Company is engaged in the manufacturing of iron and steel products having its registered office at 34A, Metcalfe Street, 2nd Floor, Room No. 2C/3, Kolkata- 700013.

All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of activities, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

B. USE OF ESTIMATES

(i) The preparation of the financial statements is in conformity with Indian GAAP (Generally Accepted Accounting Principles) which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as on the date of the financial statements. The estimates and assumptions made and applied in preparing the financial statements are based upon management's best knowledge of current events and actions as on the date of financial statements. However, due to uncertainties attached to the assumptions and estimates made actual results could differ from those estimated. Any revision to accounting estimates is recognised prospectively in current and future periods.

C. PROPERTY, PLANT & EQUIPMENT:

(i) Initial Recognition

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any, using the cost model as prescribed under Accounting Standard, AS-10 "Property, Plant & Equipment". Cost of an item of property, plant and equipment comprises of the purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation on property, plant & equipment is charged on written down value method over the useful life of the asset as per Schedule II of the Companies Act, 2013. Depreciation on assets purchased / acquired during the year is charged from the date of purchase / acquisition of the asset or from the day the asset is ready for its intended use. Similarly, depreciation on assets sold / discarded during the year is charged up to the date when the asset is sold / discarded.

D. INTANGIBLE ASSETS

An intangible asset is recognised if, and only if:

(a) it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and

(b) the cost of the asset can be measured reliably.

An intangible asset is measured initially at cost. The cost of an intangible asset comprises its purchase price and other taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Directly attributable expenditure includes, for example, professional fees for legal services. Any trade discounts and rebates are deducted in arriving at the cost. Subsequent expenditure on an intangible asset after its purchase or its completion should be recognised as an expense when it is incurred unless:

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

Kolkata

Chartered Accountants

(a) it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance; and

(b) the expenditure can be measured and attributed to the asset reliably. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses.

E. INVENTORIES:

Inventories are valued at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase consist of the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates, duty drawbacks and other similar items are deducted in determining the costs of purchase. The cost of inventories are determined by using the Weighted Average Method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

F. REVENUE RECOGNITION:

(a) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods have been passed to the buyer and it is reasonable to expect ultimate collection. Sale of goods is recognised net of GST and other taxes as the same is recovered from customers and passed on to the government.

(b) Other Income & Expenses

Interest income is recognised on time proportionate basis taking into account the amount outstanding and the rate applicable.

Other items of income and expenses are recognised on accrual basis.

G. INVESTMENTS

Non-Current Investments are stated at cost. The cost of investment includes acquisition charges such as brokerage, fees and duties. Provision is made for diminution in the value of the investments, if, in the opinion of the management, the same is considered to be other than temporary in nature. On disposal of an investment, the difference between its Carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. When disposing of a part of the holding of an individual investment, the Carrying amount to be allocated to that part is to be determined on the basis of the average Carrying amount of the total holding of the investment.

H. EMPLOYEE BENEFITS:

(i) Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, short term compensated absences and bonus that are recognised as expenses in the period in which the employee renders the related service.

(ii) Post- Employment Benefits

(a) Defined Contribution Plans

The Company has a Defined Contribution Plan for Post employment benefits in the form of Provident Fund for all employees which is administered by the Provident Fund Commissioner. Provident Fund are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to Defined Contribution plans are charged to the Statement of Profit and Loss as and when incurred.

(b) Defined Benefit Plans

(i) Gratuity

The Company has a Defined Benefit Plan for Post employment benefits in the form of Gratuity.

Liability for the above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

(ii) Termination benefits are recognized as an expense as and when incurred.

M/S. B. S. SPONGE PVT. LTD.

Director

ARSK & ASSOCIATES Kolkata

M/S. B. S. SPONGE PVT. LTD.

Director

I. **BORROWING COST:**

Borrowing costs are interest, commitment charges and other costs incurred by the company in connection with Short Term/ Long Term borrowing of funds. Borrowing cost directly attributable to acquisition or construction or production of qualifying assets are capitalized as a part of the cost of the assets, upto the date the asset is ready for its intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the year in which they are incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

J. **CAPITAL WORK IN PROGRESS:**

Capital Work in Progress is valued at cost. Cost comprises of purchase price including non refundable purchase taxes, after deducting trade discounts and rebates, and borrowing cost on qualifying assets and other cost that are directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

K. **EARNINGS PER SHARE:**

The earnings in ascertaining the Company's EPS comprises the net profit after tax attributable to equity shareholders and includes the post tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax attributable to Equity Shareholders (including the post tax effect of extra ordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period.

L. **TAXATION:**

Tax expense for the year comprising current tax & deferred tax are considered in determining the net profit for the year. Provision is made for current tax and based on tax liability computed in accordance with relevant tax laws applicable to the Company. Provision is made for deferred tax for all timing difference arising between taxable incomes & accounting income at currently enacted or substantively enacted tax rates, as the case may be. Deferred tax assets (other than in situation of unabsorbed depreciation and carry forward losses) are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective Carrying values at each Balance Sheet date.

Provision for taxation on income for the year has been made under Section 115BAA of the Income Tax Act, 1961. Deferred tax assets, in situation of unabsorbed depreciation and carry forward losses under tax laws are recognised only to the extent that where is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be recognised. Deferred Tax Assets and Deferred Tax Liability have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liability and where the Deferred Tax Asset and Deferred Tax Liability relate to Income taxes is levied by the same taxation authority.

M. **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS** :

(i) Provisions

A provisions is recognized when the Company has a present obligation as a result of past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

(ii) Contingent Liability

Contingent Liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(ii) Contingent Assets

Contingent Assets are neither recognised nor disclosed in the financial statements.

N. IMPAIRMENT OF ASSETS:

Assessment is done at each Balance Sheet date as to whether there is any indication that a tangible asset might be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash flows from other assets or other group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of asset/ cash generating unit is made.

Assets whose Carrying value exceeds their recoverable amount are written down to recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting period may no longer exist or may have decreased.

O. CASH & CASH EQUIVALENTS:

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent, it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Cash & cash equivalents comprise cash and cash on deposit with banks and corporations.

P LEASES:

Lease payments under an operating is recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

Q FOREIGN CURRENCY TRANSACTIONS:

Initial recognition

Transactions in foreign currency are accounted for at exchange rates prevailing on the date of the transaction.

Measurement of foreign currency monetary items at Balance Sheet date

Foreign currency monetary items (other than derivative contracts) as at Balance Sheet date are restated at the year end rates.

Exchange difference

Exchange differences arising on settlement of monetary items are recognised as income or expense in the period in which they arise.

Exchange difference arising on restatement of foreign currency monetary items as at the year end being difference between exchange rate prevailing on initial recognition/subsequent restatement on reporting date and as at current reporting date is adjusted in the Statement of Profit & Loss for the respective year.

Any expense incurred in respect of Forward contracts entered into for the purpose of hedging is charged to the Statement of Profit and loss.

M/S. B. S. SPONGE PVT. LTD.

Director

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Director

Forward Exchange Contract

The Premium or discount arising at the inception of the Forward Exchange contracts entered into hedge an existing asset/liability, is amortized as expense or income over the life of the contract. Exchange Differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such a forward contract is recognized as income or expense in the period in which such cancellation or renewal is made.

R GOVERNMENT GRANTS:

Government grants available to the enterprise are recognised:

(i) where there is reasonable assurance that the enterprise will comply with the conditions attached to them; and

(ii) where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

Government grants received as compensation for expenses or losses incurred in a previous accounting period is recognised in the income statement of the period in which it becomes receivable.

Grants related to specific property, plant and equipment are shown as a deduction from the gross value of the asset concerned in arriving at its book value. Grants related to revenue are credited in the profit and loss statement.

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

ARSK & ... Kolkata Chartered Accountants

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

2

Share Capital	As at 31.03.2024		As at 31.03.2023	
	Number of Shares	Amount	Number of Shares	Amount
Authorized Share Capital				
Equity Shares of FV Rs. 10/- each	47,50,000	475.00	47,50,000	475.00
4% Non cumulative optionally convertible redeemable preference shares of FV Rs. 10/- each	17,50,000	175.00	17,50,000	175.00
	65,00,000	**650.00**	**65,00,000**	**650.00**
Issued Share Capital				
Equity Shares of FV Rs. 10/- each	46,94,210	469.42	46,94,210	469.42
4% Non cumulative optionally convertible redeemable preference shares of FV Rs. 10/- each	6,76,875	67.69	6,76,875	67.69
	53,71,085	**537.11**	**53,71,085**	**537.11**
Subscribed & Fully- Paid up Share Capital				
Equity Shares of FV Rs. 10/- each	46,94,210	469.42	46,94,210	469.42
4% Non cumulative optionally convertible redeemable preference shares of FV Rs. 10/- each	6,76,875	67.69	6,76,875	67.69
	53,71,085	**537.11**	**53,71,085**	**537.11**

2.1 Reconciliation of Equity shares outstanding at the beginning and at the end of the financial year :

Particulars	As at 31.03.2024		As at 31.03.2023	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	46,94,210	469.42	46,94,210	469.42
Balance as at the end of the year	**46,94,210**	**469.42**	**46,94,210**	**469.42**

2.2 Reconciliation of Preference shares outstanding at the beginning and at the end of the financial year :

Particulars	As at 31.03.2024		As at 31.03.2023	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	6,76,875	67.69	6,76,875	67.69
Balance as at the end of the year	**6,76,875**	**67.69**	**6,76,875**	**67.69**

2.3 a. The Company has not reserved any share for issue under options and contracts or commitments for the sale of shares / disinvestment.

b. The Company during the preceeding five years :

i) has not alloted equity shares pursuant to contracts without payment receieved in cash ;

ii) has not alloted shares as fully paid up by way of bonus shares ;

iii) has not bought back any shares.

c. There are no calls unpaid by directors or officers of the Company.

d. The Company has issued 4% Non-Cummulative Optionally Convertible Redeemable Preference Shares during the preceeding financial years. Details are disclosed in Note No. 2.5.

e. The Company has not forefeited any shares during the above financial years.

2.4 The Company has only one class of equity share having a face value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

M/S. B. S. SPONGE PVT. LTD.

Director

Kolkata

M/S. B. S. SPONGE PVT. LTD.

Director

(All amounts are in Rupees lacs, unless otherwise stated)

2.5 The Company has 4% Non-Cumulative Optionally Convertible Redeemable Preference Shares of Rs. 10/ per share. On or before the end of 20 years from the date of allotment of the aforesaid shares, at the option of the preference shareholder, it shall be converted into equity shares, at a conversion price as may be determined by an independent valuer or redeemed. In case, the options for conversion into equity shares or redemption is not exercised, within the said period of 20 years, the shares shall be compulsorily converted into equity shares at the end of 20 years from the date of allotment at a conversion price as may be determined by an independent valuer. The request for early redemption, in whole or part, by any preference shareholder shall be at the absolute discretion of the board and early redemption after 31.03.2021 shall be redeemed at a premium over the nominal value. The Preference shareholders shall have voting rights in meeting of such shareholder, only in accordance with the Companies Act, 2013. The preference shares, upon conversion shall rank pari-passu in all respect including as to dividend with the existing fully paid-up equity shares of face value of Rs. 10/- each of the Company. In case of winding up, if surplus exist, the outstanding preference shares (if any), will be redeemed at par.

2.6 Details of shareholders holding more than 5% of the Equity Share Capital of the Company (Rs. 10/- each fully paid up) :

Particulars	As at 31.03.2024		As at 31.03.2023	
	No of shares held	(%)	No of shares held	(%)
Parmanand Agarwal	10,88,400	23.19%	10,88,400	23.19%
Ashish Agarwal	16,81,200	35.81%	16,81,200	35.81%
Sulochana Agarwal	4,58,000	9.76%	4,58,000	9.76%
Nachiketa Gift-Ads Pvt. Ltd.	13,86,610	29.54%	11,93,800	25.43%
Total	**46,14,210**	**98.30%**	**44,21,400**	**94.19%**

Note : The promoters have been defined as persons having control over the affairs of the Company, directly / indirectly.

2.7 Details of shareholders holding more than 5% of the Preference Share Capital of the company (Rs. 10/- each fully paid up) :

Particulars	As at 31.03.2024		As at 31.03.2023	
	No of shares held	(%)	No of shares held	(%)
Nachiketa Gift-Ads Pvt. Ltd.	6,76,875	100%	6,76,875	100%

2.8 Details of Fully Paid up Equity shares of Rs. 10/- each held by the Promoters of the Company :

Promoter's name	As at 31.03.2024		As at 31.03.2023		% Change during the year
	No of shares held	% of total shares	No of Shares held	% of total shares	
Parmanand Agarwal	10,88,400	23.19%	10,88,400	23.19%	
Ashish Agarwal	16,81,200	35.81%	16,81,200	35.81%	-
Sulochana Agarwal	4,58,000	9.76%	4,58,000	9.76%	-
Nachiketa Gift-Ads Pvt. Ltd.	13,86,610	29.54%	11,93,800	25.43%	16.15%
Total	**46,14,210**	98.30%	**44,21,400**	94.19%	**16.15%**

Promoter's name	As at 31.03.2023		As at 31.03.2022		% Change during the year
	No of shares held	% of total shares	No of Shares held	% of total shares	
Parmanand Agarwal	10,88,400	23.19%	10,88,400	23.19%	-
Ashish Agarwal	16,81,200	35.81%	16,81,200	35.81%	-
Sulochana Agarwal	4,58,000	9.76%	4,58,000	9.76%	-
Nachiketa Gift-Ads Pvt. Ltd.	11,93,800	25.43%	11,93,800	25.43%	-
Total	**44,21,400**	**94.19%**	**44,21,400**	94.19%	-

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

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Reserves & Surplus		As at 31.03.2024	As at 31.03.2023
General Reserve			
Opening balance		130.14	130.14
Closing balance	(a)	130.14	130.14
Securities Premium			
Opening balance		3,590.55	3,590.55
Closing balance	(b)	3,590.55	3,590.55
Surplus i.e. Balance in Statement of Profit & Loss			
Opening balance		20,461.00	13,741.19
Add : Profit during the year		14,575.39	6,789.39
Less : Adjustment on account of employee benefit expenses		-	69.58
Closing balance	(c)	35,036.39	20,461.00
Total (a+b+c)		38,757.08	24,181.69

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Long term borrowings		As at 31.03.2024	As at 31.03.2023
(Secured)			
Term loan from scheduled banks (Refer Note No. 4.1)		30,422.69	24,767.73
Less : Current maturities		(3,174.17)	(2,409.57)
	(a)	27,248.52	22,358.16
Vehicle loan from scheduled banks (Refer Note No. 4.2)		869.63	216.83
Less : Current maturities		(311.99)	(145.93)
	(b)	557.64	70.90
(Unsecured)			
Borrowings from related parties (Refer Note No. 4.3)		1,883.07	1,965.56
	(c)	1,883.07	1,965.56
Total (a+b+c)		29,689.23	24,394.62

4.1 **Explanation to Term Loans :**

4.1.1 **Term loan from Indian Bank (Sanctioned amount : Rs. 1,300.00 Lacs), Carrying value as at 31.03.24 : Rs. 700.89 Lacs (P.Y : Rs. 861.82 Lacs)**

Repayable in 24 quarterly principal repayments of Rs. 54.00 Lacs and one repayment of Rs. 4.00 Lacs ending in June'2027.

Primary Security : Equitable mortgage on Plant & Machineries relating to Hot Charged Rolling Mill having capacity of 1,05,000 MTPA.

Collateral Security : First pari passu equitable mortgage charge on the entire land and building, factory shed of the Company at Village Tariamal, P.O. Gerwani, District Raigarh, Chattisgarh.

Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.

Present interest rate : 8.80% p.a

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

4.1.2 **Term loan from Indian Bank (Sanctioned amount : Rs. 600.00 Lacs), Carrying value as at 31.03.24 : Rs. 161.29 Lacs (P.Y : Rs. 224.03 Lacs)**
Repayable in 25 quarterly principal repayments of Rs. 21.00 Lacs and three repayment of Rs. 25.00 Lacs ending in September'2025.
Primary Security : Exclusive hypothecation charge over Plant & Machineries of the 4th Kiln having capacity of 100TPD, procured out of the aforesaid term loan.
Collateral Security : First pari passu equitable mortgage charge on the entire land and building, factory shed of the Company at Village Tariamal, P.O. Gerwani, District Raigarh, Chattisgarh.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate : 8.80% p.a

4.1.3 **Term loan from HDFC Bank (Sanctioned amount : Rs. 2,500.00 Lacs), Carrying value as at 31.03.24 : Rs. 375.00 Lacs (P.Y : Rs. 875.00 Lacs)**
Repayable in 20 quarterly principal repayments of Rs. 125.00 Lacs ending in December'2024.
Primary Security : First pari pasu on entire movable & immovable fixed assets of the Company.
Collateral Security : Second pari pasu charge on entire current assets of the Company.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate : 10.05% p.a

4.1.4 **Term loan from HDFC Bank (Sanctioned amount : Rs. 2,100.00 Lacs), Carrying value as at 31.03.24 : Rs. 700.00 Lacs (P.Y : Rs. 1,100.00 Lacs)**
Repayable in 21 quarterly principal repayments of Rs. 100.00 Lacs ending in December'2025.
Primary Security : First pari pasu on entire movable & immovable fixed assets of the Company.
Collateral Security : Second pari pasu charge on entire current assets of the Company.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate : 10.20% p.a

4.1.5 **Term loan from Indian Bank (Sanctioned amount : Rs. 847.00 Lacs), Carrying value as at 31.03.24 : Rs. 383.75 Lacs (P.Y : Rs. 587.17 Lacs)**
Repayable in 60 installments (consisting 47 EMI's of Rs. 20.80 Lacs each) ending in January'2026.
Primary Security : Exclusive hypothecation charge on the Plant & Machineries relating to the 1,05,000 MTPA Hot Charge Rolling Mill, procured out of the aforesaid term loan.
Collateral Security : First pari passu equitable mortgage charge on the entire land and building, factory shed of the Company at Village Tariamal, P.O. Gerwani, District Raigarh, Chattisgarh.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate : 9.20% p.a

4.1.6 **Term loan from HDFC Bank (Sanctioned amount : Rs. 1,000.00 Lacs), Carrying value as at 31.03.24 : Rs. 500.00 Lacs (P.Y : Rs. 750.00 Lacs)**
Repayable in 48 monthly principal repayments of Rs. 20.83 Lacs ending in April'2026.
Primary Security : 100% guarantee from National Credit Guarantee Trustee Company (NCGTC). Extension of second ranking charge over existing primary and collateral securities including mortgage created in favour of the Bank.
Present interest rate : 9.92% p.a

M/S. B. S. SPONGE PVT. LTD.
Director

ARSK & ASSOCIATES
Chartered Accountants
Kolkata

M/S. B. S. SPONGE PVT. LTD.
Director

4.1.7 Term loan from HDFC Bank (Sanctioned amount : Rs. 3,000.00 Lacs), Carrying value as at 31.03.24 : Rs. 2,515.00 Lacs (P.Y : Rs. 2,805.00 Lacs)

Repayable in 30 quarterly principal repayments ranging between Rs. 65.00 Lacs to Rs. 140.00 Lacs ending in December'2029.
Primary Security : First pari passu charge on entire movable and immovable fixed assets of the Company. Second pari passu on entire current assets of the Company.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate : 9.85% p.a

4.1.8 Term loan from Axis Bank (Sanctioned amount : Rs. 2,200.00 Lacs), Carrying value as at 31.03.24 : Rs. 1,787.50 Lacs (P.Y : Rs. 2,062.50 Lacs)

Repayable in 32 quarterly principal repayments of Rs. 68.75 Lacs ending in July'2030.
Primary Security : First pari passu charge by way of hypothecation on entire movable fixed assets of the Company present and future with Indian Bank & HDFC Bank.
Collateral Security : Exclusive charge on Rolling Mill (Strip) having capacity of 1,65,000 MTPA.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate : 9.25% p.a

4.1.9 Term loan from HDFC Bank (Sanctioned amount : Rs. 506.00 Lacs), Carrying value as at 31.03.24 : Rs. 506.00 Lacs (P.Y : Rs. 506.00 Lacs)

Repayable in 48 monthly principal repayments of Rs. 10.54 Lacs ending in March'2028.
Primary Security : 100% guarantee from National Credit Guarantee Trustee Company (NCGTC). Extension of second ranking charge over existing primary and collateral securities including mortgage created in favour of the Bank.
Present interest rate : 8.95% p.a

4.1.10 Term loan from Indian Bank (Sanctioned amount : Rs. 6,800.00 Lacs), Carrying value as at 31.03.24 : Rs. 6,793.45 Lacs (P.Y : Rs. 6,183.71 Lacs)

Repayable in 32 quarterly principal repayments ranging between Rs. 140.00 Lacs to Rs. 305.00 Lacs ending in Jaunary'2032.
Primary Security : First pari passu hypothecation on the Plant & Machineries relating to 2 Kilns having capacity of 1,65,000 MTPA, procured out of the aforesaid term loan.
Collateral Security : First pari passu equitable mortgage charge on the entire land and building, factory shed of the Company at Village Tariamal, P.O. Gerwani, District Raigarh, Chattisgarh.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate : 8.80% p.a

4.1.11 Term loan from HDFC Bank (Sanctioned amount : Rs. 6,000.00 Lacs), Carrying value as at 31.03.24 : Rs. 6,000.00 Lacs (P.Y : Rs. 6,000.00 Lacs)

Repayable in 31 quarterly principal repayments ranging between Rs. 131.30 Lacs to Rs. 271.90 Lacs ending in September'2032.
Primary Security : First pari passu charge on entire movable and immovable fixed assets of the Company (excluding immovable fixed assets exclusively charged to other banks). Second pari passu on entire current assets of the Company.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate : 9.25% p.a

M/S. B. S. SPONGE PVT. LTD.

Director

ARSK & ASSOCIATES
Kolkata

M/S. B. S. SPONGE PVT. LTD.

Director

4.1.12 Term loan from SBI (Sanctioned amount : Rs. 9,000.00 Lacs), Carrying value as at 31.03.24 : Rs. 8,999.81 Lacs (P.Y : Rs. 2,812.50 Lacs)

Repayable in 31 quarterly principal repayments ranging between Rs. 168.75 Lacs to Rs. 365.62 Lacs ending in September'2032.

Primary Security : First pari passu charge by way of hypothecation of existng Plant & Machneries and other movable assets, 2 Kilns (DRI Plant), induction furnace (2 * 15 MT each), Ferro (1 * 9 MVA) and Captive Power Plant (20 MW) in existing Plant of the Company. Second pari passu charge by way of hypothecation of entire current assets (present & future) including stock of raw materials, finished goods, stock-in-process, stores and spares, packing materials at factory premises and/or at any other places as may be approved by bank from time to time, including goods in transit and outstanding moneys/ book debts / recievables.

Collateral Security : First pari passu equitable mortgage charge of the factory land and shed/building situated at Kh No. 1/4 K, Old P H No. 36, new PH No. 9, 36.739 Hectare in line with the lead bank sanction.

Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.

Present interest rate : 9.05% p.a

4.1.13 Term loan from HDFC Bank (Sanctioned amount : Rs. 1,000.00 Lacs), Carrying value as at 31.03.24 : Rs. 1,000.00 Lacs (P.Y : Rs. NIL)

Repayable in 31 quarterly principal repayments ranging between Rs. 21.88 Lacs to Rs. 45.32 Lacs ending in September'2032.

Primary Security : First pari passu charge on entire movable and immovable fixed assets of the Company (excluding immovable fixed assets exclusively charged to other banks). Second pari passu on entire current assets of the Company.

Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.

Present interest rate : 9.25% p.a

4.2 Explanation to Vehicle Loans:

4.2.1 Vehicle Loan from INDUSIND Bank, Carrying value as at 31.03.2024 : Rs. 9.45 Lacs (P.Y. : Rs. 16.31 Lacs) repayable in 47 EMI's of Rs. 0.67 Lacs each, ending in June 2025 at an interest of 8.59% p.a.

4.2.2 Vehicle Loan from INDUSIND Bank, Carrying value as at 31.03.2024 : Rs. 13.74 Lacs (P.Y. : Rs. 23.73 Lacs) repayable in 47 EMI's of Rs. 0.97 Lacs each, ending in June 2025 at an interest of 8.50% p.a.

4.2.3 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 35.09 Lacs (P.Y. : Rs. 49.62 Lacs) repayable in 37 EMI's of Rs. 1.55 Lacs each, ending in April 2026 at an interest of 9.50% p.a.

4.2.4 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 13.19 Lacs (P.Y. : Rs. 17.44 Lacs) repayable in 37 EMI's of Rs. 0.56 Lacs each, ending in May 2026 at an interest of 9.51% p.a.

4.2.5 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 27.84 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.19 Lacs each, ending in May 2026 at an interest of 9.50% p.a.

4.2.6 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 27.84 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.19 Lacs each, ending in May 2026 at an interest of 9.50% p.a.

4.2.7 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 27.84 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.19 Lacs each, ending in May 2026 at aninterest of 9.50% p.a.

4.2.8 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 27.84 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.19 Lacs each, ending in May 2026 at an interest of 9.50% p.a.

4.2.9 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 15.30 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 0.65 Lacs each, ending in May 2026 at an interest of 9.51% p.a.

4.2.10 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 15.30 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 0.65 Lacs each, ending in May 2026 at an interest of 9.51% p.a.

4.2.11 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 4.62 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 0.20 Lacs each, ending in May 2026 at an interest of 9.5% p.a.

4.2.12 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 4.62 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 0.20 Lacs each, ending in May 2026 at an interest of 9.5% p.a.

4.2.13 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 28.13 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.20 Lacs each, ending in May 2026 at an interest of 8.99% p.a.

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

4.2.14 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 28.13 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.20 Lacs each, ending in May 2026 at an interest of 8.99% p.a.

4.2.15 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 40.09 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.55 Lacs each, ending in August 2026 at an interest of 9.5% p.a.

4.2.16 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 7.42 Lacs (P.Y. : NIL) repayable in 39 EMI's of Rs. 0.27 Lacs each, ending in October 2026 at an interest of 9.15% p.a.

4.2.17 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 17.18 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 0.57 Lacs each, ending in January 2027 at an interest of 9.05% p.a.

4.2.18 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 42.79 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.40 Lacs each, ending in February 2027 at an interest of 9.05% p.a.

4.2.19 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 42.79 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.40 Lacs each, ending in February 2027 at an interest of 9.05% p.a.

4.2.20 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 42.79 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.40 Lacs each, ending in February 2027 at an interest of 9.05% p.a.

4.2.21 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 42.79 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.40 Lacs each, ending in February 2027 at an interest of 9.05% p.a.

4.2.22 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 31.68 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.03 Lacs each, ending in February 2027 at an interest of 9.05% p.a.

4.2.23 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 67.85 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 2.14 Lacs each, ending in March 2027 at an interest of 8.55% p.a.

4.2.24 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 43.85 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.40 Lacs each, ending in March 2027 at an interest of 9.15% p.a.

4.2.25 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 43.85 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.40 Lacs each, ending in March 2027 at an interest of 9.15% p.a.

4.2.26 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 59.00 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.82 Lacs each, ending in April 2027 at an interest of 8.65% p.a.

4.2.27 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 54.31 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.70 Lacs each, ending in May 2027 at an interest of 9.40% p.a.

4.2.28 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 54.31 Lacs (P.Y. : NIL) repayable in 37 EMI's of Rs. 1.70 Lacs each, ending in May 2027 at an interest of 9.40% p.a.

4.2.29 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 12.92 Lacs) repaid on 05.09.2023.

4.2.30 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 7.08 Lacs) repaid on 05.01.2024.

4.2.31 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 9.75 Lacs) repaid on 10.09.2023.

4.2.32 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 4.08 Lacs) repaid on 15.09.2023.

4.2.33 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 4.08 Lacs) repaid on 15.09.2023.

4.2.34 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 8.52 Lacs) repaid on 15.09.2023.

4.2.35 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 5.11 Lacs) repaid on 10.10.2023.

4.2.36 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 7.14 Lacs) repaid on 15.12.2023.

4.2.37 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 12.92 Lacs) repaid on 05.09.2023.

4.2.38 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 9.75 Lacs) repaid on 10.09.2023.

4.2.39 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 7.08 Lacs) repaid on 05.01.2024.

4.2.40 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 7.08 Lacs) repaid on 05.01.2024.

4.2.41 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 7.08 Lacs) repaid on 05.01.2024.

4.2.42 Vehicle Loan from HDFC Bank, Carrying value as at 31.03.2024 : NIL (P.Y. : Rs. 7.14 Lacs) repaid on 15.12.2023.

Note :

These loans are secured by way of hypothecation of respective vehicles acquired therefrom.

4.3 Rate of interest on the unsecured borrowings taken from related parties is 9% p.a.

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

5 **Deferred tax liabilities (net)**

In accordance with Accounting Standard 22 on Accounting for Taxes on Income the Company has accounted for Deferred tax Liability. The break up of the deferred tax liabilities as on 31st March 2024 are as under:

Deferred tax liabilities (net)	As at 31.03.2024	As at 31.03.2023
Deferred tax liability on		
Difference between carrying value of fixed assets in Tax base & Books	2,407.66	3,415.31
Deferred tax asset on		
Provision for employee benefit expense	52.22	13.73
Others	11.69	-
Total	**2,343.75**	**3,401.58**

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Long-term provision	As at 31.03.2024	As at 31.03.2023
Provision for gratuity	192.41	136.63
Total	**192.41**	**136.63**

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Short term borrowings		As at 31.03.2024	As at 31.03.2023
(Secured)			
Current maturities of long term borrowings (Refer Note No. 4)			
- Term loan from scheduled banks		3,174.17	2,409.57
- Vehicle loan from scheduled banks		311.99	145.93
	(a)	3,486.15	2,555.49
Working capital facility from scheduled banks			
- Overdraft (Refer Note No. 7.1)		42.41	40.62
- Cash credit (Refer Note No. 7.2)		6,444.55	7,234.99
- Working capital loan (Refer Note No. 7.3)		10,600.00	2,278.88
	(b)	17,086.96	9,554.49
Total (a+b)		20,573.11	12,109.99

7.1 Overdraft facility has been availed from Indian Bank against the pledge of fixed deposit.

7.2 **The stipulations of consortium finance agreement are as follows :**

a) Following banks have entered into a consortium finance agreement to provide fund and non-fund based credit facilities:

1) Indian Bank (Lead Banker)
2) HDFC Bank Limited
3) Axis Bank Limited
4) State Bank of India

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

b) Details of Security :

First pari-passu hypothecation charge on the current assets, namely, stocks of raw materials, semi finished and finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivables and book debts and all other movables both present and future excluding such movables as may be permitted by the aforesaid Banks from time to time.

Second pari-passu charge in favour of the Working Capital Lenders by way of hypothecation of entire movable and Immovable Fixed Assets including Land, Building plant and machinery and other Fixed Assets both present and future, at Village- Taraimal, P.O- Gairwari, District- Raigarh, Chattisgarh of the Company (Both present and future) ranking after the charge of the Term Lenders.

First pari passu mortgage and charge in favour of the said Banks ranking pari-passu with the charges created and/or to be created in favour of the Working Capital Member Banks and Term Lenders of the Company on the immovable property, i.e, the factory land admeasuring 36.739 Hector and Building situated at Village-Taraimal, Tamanar, Tehsil-Gharghoda, PH No. 36, Plot No. 1/4 Ka, District-Raigarh, Chattisgarh.

c) Joint and several irrevocable and unconditional personal guarantee of directors :

1) Parmanand Agarwal
2) Ashish Agarwal

7.3 Details of Working Capital Loan:

a. **Working Capital Loan from Indian Bank, Carrying value as at 31.03.2024 : Rs. 6,000.00 Lacs (P.Y : NIL)**
Primary Security : First pari passu hypothiecation charge on the entire current assets namely, stocks of raw maretial, semi finished and finished good, consumble stores and spares (not relating to plant and machinery), bills receivable and book debt and all other movables of the company both present and future.
Collateral Security : 'First pari passu equitable mortage charge on the entire land and buliding, factory shed of the Company at Village Taraimal, P.O. Gerwani, District Raigarh, Chattisgarh.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Current interest rate : 8.65%

b. **Working Capital Loan from HDFC Bank, Carrying value as at 31.03.2024 : Rs. 2,400.00 Lacs (P.Y : Rs. 598.88 Lacs.)**
Primary Security : 1st pari passu on entire current assets of the Company. 2nd pari passu on entire movable and immovable fixed assets of the Company.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Current interest rate : 8.65%

c. **Working Capital Loan from Axis Bank, Carrying value as at 31.03.2024 : Rs. 2,200.00 Lacs (P.Y : Rs. 1,680.00 Lacs)**
Primary Security : First Pari Passu charge by way of hypothecation on the enitire Current Assets of the Company both present and future.
Collateral Security : First Pari Passu charge by way of equitable mortage on the entire land and building, factory shed of the Company at Taraimal, P.O. Gerwani, District Raigarh.
Personal guarantee of Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Current interest rate : ~8.50%

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED
Notes forming part of the financial statement for the year ended 31st March 2024
(All amounts are in Rupees lacs, unless otherwise stated)

8

Trade Payables	As at 31.03.2024	As at 31.03.2023
Total outstanding dues of micro enterprises and small enterprises	113.53	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,831.56	1,956.50
Total	2,945.09	1,956.50

Ageing schedule for Trade Payables as at 31.03.2024 :

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	113.53	-	-		113.53
(ii) Others	2,826.49	5.07	-	-	2,831.56
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

Ageing schedule for Trade Payables as at 31.03.2023 :

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-		-
(ii) Others	1,950.96	5.53	-	-	1,956.50
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

Details regarding dues to Micro, Small & Medium Enterprises :

Particulars	Principal (Amount)	Interest (Amount)
Amount unpaid to any supplier as at the end of accounting year	113.53	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without addding the interest specified undet the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006	-	-

M/S. B. S. SPONGE PVT. LTD.

Director

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Director

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

9

Other current liabilities	As at 31.03.2024	As at 31.03.2023
Advance from customers	64.66	269.86
Payable for expenses	2,809.95	1,802.18
Payable for capital expenditure	195.08	481.54
Statutory dues	441.06	344.08
Interest accured on borrowings	278.79	159.75
Total	**3,789.54**	**3,057.42**

10

Short term provisions	As at 31.03.2024	As at 31.03.2023
Provision for gratuity	15.08	9.63
Provision for income tax (net of advance tax)	280.17	858.05
Total	**295.25**	**867.68**

M/S. B. S. SPONGE PVT. LTD.

Director

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Director

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

11 **Property, Plant & Equipments**

Seperately annexed.

12

Capital work in progress	As at 31.03.2024	As at 31.03.2023
Balance at the beginning of the year	8,401.89	5,605.79
Add: Addition during the year	23,100.39	24,489.22
Less: Capitalised during the year	21,463.90	21,693.11
Total	**10,038.38**	**8,401.89**

Capital work-in-progress ageing schedule is given below as at at 31.03.2024 :

Particulars	Amount in CWIP for a period				Total
	Less than one year	1- 2 years	2 - 3 years	More than 3 years	
Project in progess	10,038.38	-	-	-	10,038.38
Project temporarily suspended	-	-	-	-	-

Capital work-in-progress ageing schedule is given below as at at 31.03.2023 :

Particulars	Amount in CWIP for a period				Total
	Less than one year	1- 2 years	2 - 3 years	More than 3 years	
Project in progess	8,401.89	-	-	-	8,401.89
Project temporarily suspended	-	-	-	-	-

13

Non - current investment	As At 31.03.2024		As At 31.03.2023	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
(Other investments, at cost)				
Unquoted Equity Shares, Fully paid up				
(Face value of Rs. 10)				
Vimla Infrastructure (India) Private Limited	500	0.55	500	0.55
Others				
Gold Coin	196	40.10	181	32.66
Total		**40.65**		**33.21**

14

Long Term Loans & Advances	As at 31.03.2024	As at 31.03.2023
(Unsecured, considered good)		
Capital advances	2,348.00	237.41
Loan given to a related party *	-	189.39
Total	**2,348.00**	**426.80**

* The above unsecured loans have been given for general corporate purpose.

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

ARSK & Associates Kolkata Chartered Accountants

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

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Other non-current asset	As at 31.03.2024	As at 31.03.2023
(Unsecured, considered good)		
Security deposits	167.16	149.28
Fixed deposits with scheduled bank *	1,362.92	755.68
Prepaid expenses	13.12	20.16
Total	**1,543.20**	**925.12**

*Fixed deposits of Rs. 201.50 Lacs has been under lien against credit facilities availed by the Company.

16

Inventories	As at 31.03.2024	As at 31.03.2023
(At lower of cost or net realisable value, unless otherwise stated)		
(As valued and certified by the management)		
Raw Materials	16,369.21	10,804.47
Work in Progress	302.66	329.37
Stores and Spares	802.14	848.37
Finished Goods	2,733.87	2,295.74
By Products	596.38	105.93
Scraps	38.97	19.99
Total	**20,843.23**	**14,403.88**

17

Trade receivables	As at 31.03.2024	As at 31.03.2023
Trade receivables		
-Unsecured, considered good	2,702.79	2,024.96
- Others	-	-
Total	**2,702.79**	**2,024.96**

A. Ageing schedule for Trade Receivables as at 31.03.2024

Particulars	Outstandings for following periods from due date of payment					
	Less than 6 months	6 months-1year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables-Considered Good	2,602.47	99.66	0.66	-	-	**2,702.79**
Undisputed Trade Receivables-Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables-Considered Good	-	-	-	-	-	-
Disputed Trade Receivables-Considered Doubtful	-	-	-	-	-	-

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED
Notes forming part of the financial statement for the year ended 31st March 2024
(All amounts are in Rupees lacs, unless otherwise stated)

B. Ageing schedule for Trade Receivables as at 31.03.2023

Particulars	Outstandings for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables- Considered Good	1,970.22	3.96	50.78		-	2,024.96
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-

18

Cash and Cash equivalents	As at 31.03.2024	As at 31.03.2023
Cash & Bank balances		
Balances with scheduled banks in		
- current accounts *	43.96	57.01
- cash credit account	58.96	-
- fixed deposits (maturing within 3 months from the reporting date)	998.00	-
Cash on hand	23.42	21.43
Total	**1,124.34**	**78.44**

* Balances with banks in current accounts includes Rs. NIL (P.Y Rs. 0.39 Lacs) lying in inoperative bank account, statement whereof is not available.

19

Short term loan & Advances	As at 31.03.2024	As at 31.03.2023
(Unsecured, considered good)		
Advance		
- given to supplier	6,187.38	7,691.65
- against expenses ^	357.51	421.12
- given to staff	48.34	20.05
- given to an ex-staff	-	0.65
- given to others	750.00	-
Loan given to a related party *	204.07	-
Advance given to a related party	23.00	-
Total	**7,570.30**	**8,133.48**

* The above unsecured loan are repayable on demand and have been given for the principal business activities of the borrowing entity.

^ Includes Rs. 31.66 Lacs (P.Y: Rs. 3.29 Lacs) given to a related party.

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Director

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Director

B. S. SPONGE PRIVATE LIMITED
Notes forming part of the financial statement for the year ended 31st March 2024
(All amounts are in Rupees lacs, unless otherwise stated)

Additional information as required by Schedule III :

Particulars	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
- Promoter	-	-
	(-)	(-)
- Director	-	-
	(-)	(-)
- Key Managerial Personnel	-	-
	(-)	(-)
- Related Party	204.07	100%
	(-)	(-)

Note : Previous year figures are in the brackets.

20 Other current assets	As at 31.03.2024	As at 31.03.2023
Balances with revenue authorities #	188.39	363.46
Interest accrued on		
- security deposit	6.88	4.28
- fixed deposit	58.78	157.78
Subsidy receivable	-	20.08
Prepaid expenses	28.57	20.83
Total	**282.62**	**566.43**

Includes Rs. 0.38 Lacs (P.Y : NIL) on account of amount deposited under appeal before the Commissioner (Appeal), Central Excise & Service Tax, Raipur.

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

21

Revenue from operations	For the year ended 31.03.2024	For the year ended 31.03.2023
Sale of iron & steel products		
- manufactured goods	1,49,392.15	81,246.22
- traded goods	46.81	-
Total	**1,49,438.96**	**81,246.22**

22

Other income	For the year ended 31.03.2024	For the year ended 31.03.2023
Interest income on		
- fixed deposit	101.01	56.90
- security deposit	8.59	4.28
- loan given	16.69	3.40
Rent income	1.85	1.52
Sundry balances written back	20.80	30.27
Miscellaneous income	24.21	7.90
Total	**173.15**	**104.28**

23

Cost of materials consumed	For the year ended 31.03.2024	For the year ended 31.03.2023
Raw Materials		
Opening Stock	10,804.47	4,073.15
Purchases	91,350.98	53,607.80
Transportation, Lifting & Other charges	16,842.47	6,937.81
	1,18,997.91	64,618.76
Less: Closing Stock	16,369.21	10,804.47
Total	**1,02,628.70**	**53,814.29**

23.1 Details of cost of raw materials consumed :

Particulars	For the year ended 31.03.2024		For the year ended 31.03.2023	
	Amount	% of consumption	Amount	% of consumption
Indigenous	1,02,628.70	100	53,814.29	100
Imported	-	-	-	-
Total	**1,02,628.70**	**100**	**53,814.29**	**100**

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

24

Changes in inventories of finished goods, work in progress and by- product	For the year ended 31.03.2024	For the year ended 31.03.2023
Work In Progress		
Opening Work-in-progress	329.37	70.55
Closing Work-in-progress	302.66	329.37
(a)	**26.71**	**(258.82)**
Finished Goods/By Products		
Opening Stock		
Finished Goods	2,295.74	2,752.64
Scrap	19.99	55.87
By Products	105.93	43.93
	2,421.66	**2,852.44**
Closing Stock		
Finished Goods	2,733.87	2,295.74
Scrap	38.97	19.99
By Products	596.38	105.93
	3,369.22	**2,421.66**
(b)	**(947.56)**	**430.78**
Total (a+b)	(920.85)	171.96

25

Employee benefit expenses	For the year ended 31.03.2024	For the year ended 31.03.2023
Directors remuneration	1,208.48	427.71
Salary, wages & bonus	3,122.71	2,001.50
Gratuity expense	61.23	39.30
Staff welfare expenses	63.45	27.31
Contribution to provident & other funds	189.29	87.29
Total	4,645.17	2,583.12

Note: The Company has not issued any Employee stock option plan during the current or preceeding financial year.

26

Finance costs	For the year ended 31.03.2024	For the year ended 31.03.2023
Interest on		
- term loan	2,360.48	971.69
- cash credit	534.81	588.66
- overdraft	4.11	2.01
- working capital facility	712.68	193.33
- unsecured loans	167.04	158.74
- vehicle loans	43.35	20.20
- letter of credit	156.10	25.32
- others	95.17	-
- late payment of statutory dues	0.65	14.81
Other borrowing cost	199.20	161.99
Total	4,273.59	2,136.74

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

27

Other expenses	For the year ended 31.03.2024	For the year ended 31.03.2023
Consumption of stores & spares (Refer Note No. 27.1)	7,203.77	3,798.01
Power & Fuel	1,451.95	1,019.72
Processing charges	2,179.78	1,147.75
Machinery hire charges	324.31	179.39
Bad debts written off	53.72	-
Labour charges	645.35	287.77
Advertisement & business promotion expenses	45.83	29.28
Commission on sales	230.76	94.63
Freight outward	753.99	771.01
Rent	2.40	-
Rates & Taxes	74.48	69.13
GST credit written off	51.77	-
Travelling & Conveyance expenses	85.26	71.97
Office expenses	58.51	43.16
Environmental management expenses	13.51	40.68
Security charges	184.09	76.98
Legal & Professional charges	227.99	185.14
Sundry balances written off	134.93	50.86
General expenses	58.75	47.52
Insurance charges	49.41	25.54
Repair & Maintenance on		
- Plant & Equipments	382.01	238.52
- Vehicles	69.80	25.43
- Others	43.78	41.97
CSR expenditure (Refer Note No. 37)	138.32	155.98
Payments to auditor		
- Statutory audit	7.00	5.00
- Tax audit	2.50	1.00
- Other services	0.08	2.00
- Out of pocket expense	0.24	-
Total	**14,474.29**	**8,408.44**

27.1

Details of Stores and Spare Parts consumed (included in other expenses)	For the year ended 31.03.2024	For the year ended 31.03.2023
Opening Stock	848.37	627.95
Purchases	7,157.54	4,018.44
	8,005.92	4,646.39
Less : Closing Stock	802.14	848.37
Material Consumed : Indigenous	**7,203.77**	**3,798.01**
Material Consumed : Imported	-	-

M/S. B. S. SPONGE PVT. LTD.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

M/S. B. S. SPONGE PVT. LTD.

Director

28

Earnings per share	As at 31.03.2024	As at 31.03.2023
Net Profit attributable to Equity Shareholders (in Rs.'Lacs)	14,575.39	6,789.39
Weighted average number of Equity Shares in issue (Nos.)	46,94,210	46,94,210
Face value per share (in Rs.)	10	10
Basic Earnings per Equity Share (in Rs.)	310.50	144.64
Diluted Earnings per Equity Share* (in Rs.)	310.50	144.64

* The conversion of Non-Cumulative Optionally Convertible Redeemable Preference Shares is contingent upon the exercise of option by the preference shareholders and also upon issue of such number of shares of the company as may be determined on the basis of valuation report of the registered valuer (to be arrived at the time of conversion). On account of the aforesaid contingencies involved, a fair estimate can not be made in regards to issue of potential number of equity shares, if any, hence Diluted EPS has been calculated without considering impact of such conversion.

29 In accordance with the provisions of the Accounting Standard on Impairment of Assets AS – 28, the management has made assessment of assets in use in respect of each cash-generating unit and considering the business prospects related thereto, no provision is considered necessary on account of impairment of assets.

30 Segment Reporting

The company is engaged in the business of manufacturing of iron & steel products which is considered to be the only reportable segment as per Accounting Standard AS- 17 "Segment Reporting". And as such there are no separate reportable segments. The entire operations are located in India accordingly there are no geographically segments.

31 Value of imports calculated on CIF basis : NIL (P.Y : NIL)

32 Capital commitments :

Particulars	As at 31.03.2024	As at 31.03.2023
Estimated amount of contracts remaining to be executed on capital account (net of advances)	2,340.18	-
Total	2,340.18	-

33 Contingent Liabilities (to the extent not provided for):

Particulars	As at 31.03.2024	As at 31.03.2023
Demand (incl. penalty) under Central Excise Act, contested by the Company	10.16	-

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above contingent liability.

The Company does not expect any reimbursement in respect of the above contingent liability.

34 In the opinion of the Board of Directors, the Current Assets, Loans & Advances are approximately of the value stated in accounts, if realised in ordinary course of business, unless otherwise stated. The provision for all known liabilities is adequate and not in excess/short of the amount considered reasonable/necessary.

M/S. B. S. SPONGE PVT. LTD.

Director

Kolkata

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED
Notes forming part of the financial statement for the year ended 31st March 2024
(All amounts are in Rupees lacs, unless otherwise stated)

35 Gratuity & post employment benefit :

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the Provisions of Gratuity Act, 1972. The above said scheme is unfunded.

The following table summarises the components of net benefits / expense recognised in the Statement of Profit and Loss and the balance sheet for the respective plans.

i) Expense recognised in the statement of profit & loss for the year ended 31st March, 2024

Particulars	As at 31.03.2024	As at 31.03.2023
Current service cost	63.83	37.12
Interest cost	10.68	7.59
Net actuarial (gain) / loss recognised in the period	(13.28)	(5.41)
Total expense	**61.23**	**39.30**

ii) Liability recognised in the balance sheet as at 31st March, 2024

Particulars	As at 31.03.2024	As at 31.03.2023
Present value of benefit obligation	207.49	146.26
Fair value of plan asset	-	-
Net liability	**207.49**	**146.26**

iii) Change in obligation during the year ended

Particulars	As at 31.03.2024	As at 31.03.2023
Present value obligation as at the beginning for the year	146.26	106.95
Interest cost	10.68	7.59
Current service cost	63.83	37.12
Actuarial (gain) / loss on the obligation	(13.28)	(5.41)
Present value obligation as at end of the year	**207.49**	**146.26**

iv) The principal assumptions used in determining gratuity and post -employment medical benefit obligations for the company's plans are shown below

Particulars	As at 31.03.2024	As at 31.03.2023
Discount rate (per annum)	7.20%	7.30%
Salary growth rate (per annum)	6.00%	6.00%

v) Amount for the current year is as follows

Particulars	As at 31.03.2024	As at 31.03.2023
Defined benefit obligation	207.49	146.26
Balance of defined benefit obligation as at the year end	**207.49**	**146.26**

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

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Notes forming part of the financial statement for the year ended 31st March 2024
(All amounts are in Rupees lacs, unless otherwise stated)

36 Disclosure of related party trasactions as required by Accounting Standard (AS-18) on "Related Party Disclosures" are as below :

(a) **Key Managerial Personnel**
Parmanand Agarwal
Ashish Agarwal
Bijay Kumar Agarwal

(b) **Relative of Key Management Personnel**
Parmanand Agarwal HUF
Richhi Agarwal
Priti Agarwal

(c) **Enterprises where Key Management Personnel have significant influence**
Nachiketa Gift-Ads Pvt. Ltd.
Florance Engineering Enterprises LLP
Divine Logistics
Zortea Logistics LLP

(d) **Details of all transactions with related parties during the year :**

Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Enterprise owned or significantly influenced by Key Management Personnel and their relatives	Total
Director's remuneration				
Parmanand Agarwal				
	600.00	-	-	600.00
	(120.00)	(-)	(-)	(120.00)
Ashish Agarwal	600.00	-	-	600.00
	(300.00)	(-)	(-)	(300.00)
Bijay Kumar Agarwal	8.48	-	-	8.48
	(7.71)	(-)	(-)	(7.71)
Loan given				
Nachiketa Gift-Ads Pvt. Ltd.		-	150.00	150.00
	(-)	(-)	(185.99)	(185.99)
Loan refund back				
Nachiketa Gift-Ads Pvt. Ltd.	-	-	150.00	150.00
	(-)	(-)	(-)	(-)
Loan taken				
Parmanand Agarwal	87.00	-	-	87.00
	(169.00)	(-)	(-)	(169.00)
Loan repaid				
Parmanand Agarwal	230.00	-	-	230.00
	(495.00)	(-)	(-)	(495.00)
Parmanand Agarwal HUF	-	-	86.33	86.33
	(-)	(-)	(-)	(-)
Nachiketa Gift-Ads Pvt. Ltd.	-	-	-	-
	(-)	(-)	(6.75)	(6.75)

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Enterprise owned or significantly influenced by Key Management Personnel and their relatives	Total
Florence Engineering LLP	-	-	3.50	3.50
	(-)	(-)	(2.85)	(2.85)
Interest income				
Nachiketa Gift-Ads Pvt. Ltd.	-	-	16.69	16.69
	(-)	(-)	(3.40)	(3.40)
Interest expense				
Parmanand Agarwal	143.77	-	-	143.77
	(128.32)	(-)	(-)	(128.32)
Ashish Agarwal	14.31	-	-	14.31
	(20.30)	(-)	(-)	(20.30)
Parmanand Agarwal HUF	-	-	4.75	4.75
	(-)	(-)	(6.44)	(6.44)
Florance Engineering Enterprises LLP	-	-	4.21	4.21
	(-)	(-)	(3.67)	(3.67)
Advances given				
Zortea Logistics LLP	-	-	23.00	23.00
	(-)	(-)	(-)	-
Divine Logistics	-	-	-	-
	(-)	(-)	(68.00)	(68.00)
Richhi Agarwal	-	10.75	-	10.75
	(-)	(-)	(-)	(-)
Advances repaid				
Divine Logistics	-	-	-	-
	(-)	(-)	(65.00)	(65.00)
Vehicle & Machinery Hire Charges				
Zortea Logistics LLP	-	-	206.05	206.05
	(-)	(-)	(190.04)	(190.04)
CSR expenditure				
BS Foundation	-	-	0.85	0.85
	(-)	(-)	(64.60)	(64.60)
Zortea Logistics LLP	-	-	12.10	12.10
	(-)	(-)	(-)	(-)
Salary				
Richhi Agarwal	-	60.00	-	60.00
	(-)	(36.00)	(-)	(36.00)
Priti Agarwal	-	51.00	-	51.00
	(-)	(12.00)	(-)	(12.00)

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED
Notes forming part of the financial statement for the year ended 31st March 2024
(All amounts are in Rupees lacs, unless otherwise stated)

(e) Balances with Related Parties at the end of the year :

Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Enterprise owned or significantly influenced by Key Management Personnel and their relatives	Total
Balances payable				
Parmanand Agarwal	1,950.56	-	-	1,950.56
	(1,570.06)	(-)	(-)	(1,570.06)
Ashish Agarwal	51.84	-	-	51.84
	(402.90)	(-)	(-)	(402.90)
Bijay Kumar Agrawal	0.66	-	-	0.66
	(-)	(-)	(-)	(-)
Parmanand Agarwal HUF	-	-	4.27	4.27
	(-)	(-)	(86.33)	(86.33)
Richhi Agarwal	-	-	-	-
	(-)	(18.35)	(-)	(18.35)
Priti Agarwal	-	-	-	-
	(-)	(6.04)	(-)	(6.04)
Florance Engineering Enterprises LLP	-	-	48.37	48.37
	(-)	(-)	(48.08)	(48.08)
Balances receivable				
Nachiketa Gift-Ads Pvt. Ltd.	-	-	204.07	204.07
	(-)	(-)	(189.39)	(189.39)
Richhi Agarwal	-	7.26	-	7.26
	(-)	(-)	(-)	(-)
Zortea Logistics LLP	-	-	54.66	54.66
	(-)	(-)	(3.29)	(3.29)

Note:
The above transactions do not include reimbursement of expenses made / received during the year.
Previous year figures are in the brackets.

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

ARSK & ASSOCIATES Kolkata Chartered Accountants

Director

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

37 Corporate Social Responsibilitiy (CSR) Activities :

Description of CSR Activities	Relevant clause of Schedule VII to the Companies Act, 2013
i) Ensuring Environmental sustainability & maintaining quality of soil, air & water	Clause (iv)
ii) Promoting education, including special education and employment enhancing vocational training and livelihood enhancement	Clause (ii)

Details of corporate social responsibility expenditure are set out below:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Opening Balance Deficit/(Excess)	(12.22)	-
Amount required to be spent as per section 135 of the Act	147.22	90.61
Total	**135.00**	**90.61**
Amount spend during the year:		
Paid in cash *	137.91	102.83
Yet to be paid in cash	-	-
Total	**137.91**	**102.83**
Deficit/(Excess) balance as at the year end to be carried forward to next year	(2.91)	(12.22)

* The Company has spent Rs. 0.41 Lacs (P.Y : Rs. 53.15 Lacs) against the unspent amount of CSR as on 31.03.2022.

M/S. B. S. SPONGE PVT. LTD.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

M/S. B. S. SPONGE PVT. LTD.

Director

B. S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

38 Analytical Ratios :

Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Reason for variance
Current Ratio (in times)	Current Assets	Current Liabilities	1.18	1.40	(15.84%)	-
Debt-Equity Ratio (in times)	Total Debt	Shareholders Fund	1.28	1.48	(13.38%)	-
Debt Service Coverage Ratio (in times)	Earnings available for debt serviceNet Profit before Taxes + Depreciation + Interest expense + Non-cash	Current Maturities of long term borrowings + Finance Costs	3.80	3.57	6.51%	-
Return on Equity ratio (in %)	Net Profit After Tax	Average Shareholders Fund	45.54%	31.79%	43.26%	Due to profits earned during the year.
Inventory Turnover ratio (in times)	Revenue from operations	Average Inventory	8.48	7.38	14.95%	-
Trade Receivables turnover ratio (in times)	Revenue from operations	Average receivable	63.22	57.53	9.89%	-
Trade Payable turnover ratio (in times)	Net Purchase	Average Trade Payables	44.16	39.35	12.23%	-
Net Capital Turnover Ratio (in times)	Revenue from operations	Average Working Capital	24.63	10.60	132.34%	Due to increase in revenue from operations.
Net Profit Ratio (%)	Net profit after Tax	Revenue from operations	9.75%	8.36%	16.72%	-
Return on Capital Employed (%)	Net Profit before Interest & Tax	Total equity +borrowings	25.24%	21.70%	16.33%	-
Return on Investment (%)	Net Income from Investments	Average Investments	Not Applicable			

M/S. B. S. SPONGE PVT. LTD.

Director

M/S. B. S. SPONGE PVT. LTD.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

(All amounts are in Rupees lacs, unless otherwise stated)

39 Reconciliation of quarterly bank returns filed with Indian Bank (Lead Banker):

Date	Particulars	Amount as per books	Amount as reported in the quarterly statements/ returns	Difference #
Quarter-I (30.06.2023)	Inventories (incl. advance given to supplier of raw material)	26,064.21	28,031.40	(1,967.19)
	Trade Payables for raw materials*	93.70	45.53	48.17
	Trade Receivables	1,857.44	1,941.29	(83.85)
	Advance from customers	157.49	234.36	(76.86)
Quarter-II (30.09.2023)	Inventories	19,861.69	19,851.65	10.04
	Advance given to supplier of raw materials	6,257.44	5,370.04	887.40
	Trade Payables for raw materials	2,492.81	2,573.25	(80.44)
	Trade Receivables	4,243.16	4,348.57	(105.40)
	Advance from customers	166.53	242.70	(76.17)
Quarter-III (31.12.2023)	Inventories	20,194.64	20,106.60	88.04
	Advance given to supplier of raw & store materials	5,259.86	5,280.19	(20.32)
	Trade Payables for raw materials	2,433.38	1,893.97	539.41
	Trade Receivables	3,584.43	3,610.76	(26.33)
	Advance from customers	191.82	187.92	3.90
Quarter-IV (31.03.2024)	Inventories	20,843.23	20,843.23	0.00
	Advance given to supplier of raw & store materials	6,187.38	5,904.37	283.01
	Trade Payables for raw materials & stores	2,945.09	2,533.10	411.99
	Trade Receivables	2,702.79	2,797.18	(94.38)
	Advance from customers	64.66	75.22	(10.56)

Date	Particulars	Amount as per books	Amount as reported in the quarterly statements/ returns	Difference #
Quarter-I (30.06.2022)	Inventories (incl. advance given to supplier of raw material)	17,438.52	16,018.43	1,420.09
	Trade Payables for raw materials*	290.69	290.42	0.27
	Trade Receivables	784.23	875.48	(91.25)
	Advance from customers	140.51	228.61	(88.10)
Quarter-II (30.09.2022)	Inventories (incl. advance given to supplier of raw material)	21,186.07	19,708.73	1,477.34
	Trade Payables for raw materials*	119.75	247.55	(127.80)
	Trade Receivables	839.31	842.15	(2.84)
	Advance from customers	156.87	156.80	0.07
Quarter-III (31.12.2022)	Inventories (incl. advance given to supplier of raw material)	22,994.39	20,799.14	2,195.25
	Trade Payables for raw materials*	57.63	57.42	0.21
	Trade Receivables	841.31	820.76	20.55
	Advance from customers	413.68	411.14	2.54
Quarter-IV (31.03.2023)	Inventories (incl. advance given to supplier of raw material)	20,138.91	20,518.52	(379.61)
	Trade Payables for raw materials*	129.93	192.83	(62.90)
	Trade Receivables	2,024.96	2,034.54	(9.58)
	Advance from customers	269.86	294.46	(24.60)

* Trade Payables does not include balances of parties to whom letter of credit has been issued.
# The bank returns were prepared and filed before the completion of all financial statement closure activities including adjustments / reclassifications related to Accounting Standards, as applicable, which led to these differences between final books of accounts and the bank return which were based on provisional books of accounts.

M/S. B. S. SPONGE PVT. LTD.
Director

M/S. B. S. SPONGE PVT. LTD.
Director

Kolkata
Chartered Accountants

B. S. SPONGE PRIVATE LIMITED
Notes forming part of the financial statement for the year ended 31st March 2024
(All amounts are in Rupees lacs, unless otherwise stated)

40 Other Statutory information :

(a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has 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:
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or othewise) that the Company shall:
(i) 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 beneficiaies) or
(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(f) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(g) The Company is not declared wilful defaulter by and bank financials institution or any other lender during the year.

(h) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(i) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(j) The Company has not entered into any transactions with the companies struck off under the Companies Act, 2013 or the Companies Act, 1956.

(k) The Company does not have intangible asset under development during the current year and previous year.

(l) The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company.

(m) The Company has not revalued its property, plant and equipment or intangible asset during the current year and previous year.

41 Previous year's figures have been regrouped/reclassified wherever necessary classification/disclosure.

42 Figures have been rounded off to nearest rupee in lacs and decimals thereof.

For ARSK & Associates
Chartered Accountants
Firm Registration No. 315082E

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place: Kolkata
Date : 25th day of September, 2024

For and on behalf of the Board of Directors

M/S. B. S. SPONGE PVT. LTD.
Director

Parmanand Agarwal
Director
DIN: 00585415

M/S. B. S. SPONGE PVT. LTD.
Director

Ashish Agarwal
Director
DIN: 01218609

B.S. SPONGE PRIVATE LIMITED

Notes forming part of the financial statement for the year ended 31st March 2024

(All amounts are in Rupees lacs, unless otherwise stated)

11 **Property, plant and Equipments :**

For the Financial Year 2023-24

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 1st, 2023	Additions	Disposals	As at March 31st, 2024	As at April 1st, 2023	For the year	Disposals	As at March 31st, 2024	As at March 31st, 2024	As at March 31st, 2023
Freehold Land	138.45	-	-	138.45	-	-	-	-	138.45	138.45
Leasehold Land	-	76.82	-	76.82	-	0.48	-	0.48	76.34	-
Factory Building	324.38	702.78	-	1,027.16	72.81	27.17	-	99.98	927.17	251.57
Plant & Machinery	42,710.18	22,287.00	-	64,997.18	7,501.33	6,067.32	-	13,568.65	51,428.53	35,208.85
Furniture & Equipments	53.50	10.60	-	64.10	19.06	23.86	-	42.92	21.18	34.44
Computers	62.18	40.82	-	103.00	46.49	19.12	-	65.61	37.39	15.69
Total	**43,288.69**	**23,118.02**	-	**66,406.72**	**7,639.69**	**6,137.95**	-	**13,777.64**	**52,629.08**	**35,649.00**

For the Financial Year 2022-23

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 1st, 2022	Additions	Disposals	As at March 31st, 2023	As at April 1st, 2022	For the year	Disposals	As at March 31st, 2023	As at March 31st, 2023	As at March 31st, 2022
Freehold Land	87.29	51.16	-	138.45	-	-		-	138.45	87.29
Factory Building	260.43	63.96	-	324.38	52.97	19.85		72.81	251.57	207.46
Plant & Machinery	20,530.95	22,179.22	-	42,710.18	4,447.37	3,053.96		7,501.33	35,208.85	16,083.59
Furniture & Equipments	52.23	1.27	-	53.50	17.73	1.32		19.06	34.44	34.49
Computers	47.52	14.66	-	62.18	31.76	14.73		46.49	15.69	15.76
Total	**20,978.42**	**22,310.28**	-	**43,288.69**	**4,549.83**	**3,089.86**	-	**7,639.69**	**35,649.00**	**16,428.59**

M/S. B. S. SPONGE PVT. LTD.

Director

ARSK & ASSOCIATES

M/S. B. S. SPONGE PVT. LTD.

Director

bss

B. S. Sponge (P) Ltd

CIN - U27102WB2000PTC091975
GST No. 22AACCB0433H1ZE

DIRECTOR'S REPORT

Dear Members,

Your directors have pleasure in presenting this 24th Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2024.

1. Financial Summary or performance of the company:

(In Rs)

PARTICULARS	YEAR ENDED 31.03.2024	YEAR ENDED 31.03.2023
Sales for the year	14,94,38,96,338	8,12,46,22,378
Other Income	1,73,14,501	1,04,27,639
Total Income	14,96,12,10,839	8,13,50,50,017
Profit before Financial Expenses, Depreciation and Taxation	2,87,40,31,742	1,63,72,69,253
Less: Financial expenses	42,73,58,791	21,36,74,416
Less: Depreciation	61,37,94,630	30,89,86,228
Profit before Taxation	1,83,28,78,321	1,11,46,08,609
Less: Tax	37,53,39,434	43,56,69,421
Profit after Taxation & carried forward to Balance Sheet	**1,45,75,38,887**	**67,89,39,188**

2. Operations:

The Company has reported Total Income of ₹14,96,12,10,839/- for the current year as compared to ₹8,13,50,50,017/- in the previous year. The Net Profit for the year under review amounted to ₹1,45,75,38,887/-in the current year as compared to ₹67,89,39,188/-in the previous year.

3. Transfer to reserves:

The Company has transferred an amount of ₹1,45,75,38,887/- (Rupees One Hundred Forty-Five Crore, Seventy-Five Lakhs, Thirty-Eight Thousand Eight Hundred Eighty-seven Only) being the net profit of the Company for the financial year 2023-24 to reserves.

4. Dividend:

Your directors have not recommended any dividend for the financial year 2023-24.

5. Material Changes between the date of the Board report and end of financial year:

Following changes has been occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

- Satisfaction of Charge vide Charge ID: 100782356 dated 21.09.2024 by repayment of an amount Rs. 49,62,500/- (Rupees Forty-Nine Lakh Sixty-Two Thousand Five Hundred) availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013;

- Satisfaction of Charge vide Charge ID: 100782321 dated 21.09.2024 by repayment of an amount Rs. 77,40,000/- (Rupees Seventy-Seven Lakh Forty Thousand) availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013;

- Satisfaction of Charge vide Charge ID: 100725314 dated 21.09.2024 by repayment of an amount Rs. 152,00,000/- (Rupees One Crore Fifty-Two Lakh) availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013;

- Satisfaction of Charge vide Charge ID: 100725118 dated 21.09.2024 by repayment of an amount Rs. 41,80,000/- (Rupees Forty-One Lakh Eighty Thousand) availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013;

- Satisfaction of Charge vide Charge ID: 100725111 dated 21.09.2024 by repayment of an amount Rs. 12,60,000/- (Rupees Twelve Lakh Sixty Thousand) availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013;

- Satisfaction of Charge vide Charge ID: 100775180 dated 21.09.2024 by repayment of an amount Rs. 18,00,000/- (Rupees Eighteen Lakh) availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013;

- Satisfaction of Charge vide Charge ID: 100774735 dated 21.09.2024 by repayment of an amount Rs. 49,62,500/- (Rupees Forty-Nine Lakh Sixty-Two Thousand Five Hundred) availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013;

- Satisfaction of Charge vide Charge ID: 100782321 dated 21.09.2024 by repayment of an amount Rs. 9,06,681.00/- (Rupees Nine Lakh Six Thousand Six Hundred Eighty-One Only) availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013;

- Creation of Charge vide Charge ID: 100959397 by Equitable mortgage of Immovable property or any interest therein - Commercial, Movable property - Equipment and Machinery to secure an amount of Rs. 24,00,00,000/- (Rupees Twenty-Four Crore) dated 06.08.2024 availed from Axis Bank Limited, Trishul 3rd Floor Opp Samartheshwar Temple Law Garden Ellisbridge, Ahmedabad, Gujarat, India, 380006;

- Creation of Charge vide Charge ID: 100944250 by Hypothecation of Two Vehicle - Ashok Leyland LS 1510.3 T6RB Fully Built-Up BS VI AC Bus to secure an amount of Rs. 69,00,000/- (Rupees Sixty-Nine Lakhs) dated 26.06.2024 availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013

- **Creation of Charge vide Charge ID: 100984111 by Hypothecation of** Mercedes Benz to secure an amount of Rs. 73,00,000/- (Rupees Seventy-Three Lakhs) dated 24.06.2024 availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013

- Creation of Charge vide Charge ID: 1009003451 by Equitable mortgage of Immovable property or any interest therein - Commercial, Movable property - Equipment and Machinery to secure an amount of Rs. 11,00,00,000/- (Rupees Eleven Crore) dated 06.04.2024 availed from State Bank of India, Commercial Branch 2nd Floor, Pujari Chambers Pachpedi Naka, Raipur, Chhattisgarh, India, 492001

Further, there have been no other material changes and commitments affecting the financial position of the Company.

6. **Share Capital:**

During the financial year 2023-24, there has been no change in the share capital of the Company.

7. **Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

8. **Subsidiary Company/Joint Ventures/Associates:**

As on 31st March, 2024, B.S. Sponge Private Limited (BSSPL) neither has Subsidiary Company nor any Joint Venture, however Company BSSPL itself is an Associate to the Nachiketa Gifts Ad Private Limited.

9. **Statutory Auditor & Audit Report& Directors Comments on Qualifications, if any:**

M/s **ARSK & Associates**, Chartered Accountants, were appointed as the statutory auditor of the Company in the Annual General Meeting held on 30th September, 2022 for a period of 5 years commencing from the F.Y. 2022-23 up to the conclusion of Annual General Meeting to be held in the year 2027. Further, the Company has received a letter from them confirming that their continuation in office of the Statutory Auditor will be within the limits prescribed under Section - 139 of the Companies Act, 2013 and they are not disqualified for such appointment within the meaning of Section - 141 of the Companies Act, 2013.

For the FY 2023-24 Audit report is unqualified

10. **Change in the nature of business:**

There is no change in the nature of the business of the company.

11. **Details of directors or key managerial personnel:**

There has been no change in composition of the Board of the Company during the financial year 2023-24 except Change in designation of **Mr. Ashish Agarwal** (DIN: 01218609) from Managing Director to Director w.e.f 07th February, 2024.

12. **Number of meetings of the Board:**

During the year 2023-24, the Board of Directors met 19 times viz. on 24.04.2023, 20.06.2023, 12.07.2023, 07.08.2023, 11.09.2023, 29.09.2023, 28.10.2023, 04.12.2023, 07.12.2023, 26.12.2023, 04.01.2024, 05.01.2024, 17.01.2024, 19.01.2024, 01.02.2024, 07.02.2024, 15.02.2024, 02.03.2024 and 25.03.2024. The maximum interval between any two meetings did not exceed 120 days

13. Deposits:

The Company has not invited/ accepted any deposits from the public during the year ended 31st March, 2024. There were no unclaimed or unpaid deposits as on 31st March, 2024, however closing balance of unsecured loan from related party is Rs. 18,83,06,821.00/- (Rupees Eighteen Crore Eighty-Three Lakhs Six Thousand Eight Hundred Twenty-One Only).

14. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The information on conservation of energy, technology absorption has not been provided as the Company is into Iron & Steel industry and its intellectual property are its indispensable assets. The Board of Directors deems it fit to not divulge the details pertaining to conservation of energy & technology absorption, revealing of the same may be detrimental to the existence of the Company, however the shareholders have free access to said information. During the financial year there have been no foreign exchange earnings and outgo.

15. Corporate Social Responsibility:

The Annual Report on CSR activities is annexed herewith as **Annexure-I**.

<u>Composition of CSR Committee:</u>

The CSR committee of the Company comprises of the following Directors:

Sr. No.	**Name of the Directors**	**Designation**	**Number of meetings of CSR Committee held during the year**	**Number of meetings of CSR Committee attended during the year**
1.	Mr. Ashish Agarwal	Chairman	2	2

2.	Mr. Parmanand Agarwal	Member	2	2

In the reporting financial year, the Company was obligated to allocate Rs. 1,47,22,287.00/- (Rupees One Crore Forty-Seven Lakhs Twenty-Two Thousand Two Hundred Eighty-Seven only) for CSR Expenditure. Rs. 12,22,400.00/- (Rupees Twelve Lakh Twenty-Two Thousand Four Hundred only) available for setoff in current financial year.

The Company spent Rs. 1,37,90,825.00/- (Rupees One Crore Thirty-Seven Lakhs Ninety Thousand Eight Hundred Twenty-Five only), resulting in an excess of Rs. 2,90,938.00/- (Rupees Two Lakh Ninety Thousand Nine Hundred Thirty-Eight only). Details of the expenditures are provided in the CSR report.

16. Declaration by Independent Directors:

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration has been obtained.

17. Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178:

The Company being a Private Limited entity was not required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

18. Particulars of loans, guarantees or investments under section 186:

During the F.Y. 2023-24, The Company has given loans to its Group Company, the closing balance of the same is Rs. 2,04,07,266.00/- (Rupees Two Crore Four Lakhs Seven Thousand Two Hundred Sixty-Six Only).

19. Particulars of Employees:

During the F.Y. 2023-24, Two employee has been paid an amount of remuneration exceeding the limit prescribed under rule 5(2) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 details are appended herewith to the Director's Report as **Annexure -II**

20. Directors' Responsibility Statement:

Pursuant to the requirement under section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) in the preparation of the annual accounts for the financial year ended 31^{st} March, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the directors had 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 as at 31^{st} March, 2024 and of the profit and loss of the company for that period;

(iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the annual accounts on a going concern basis; and
(v) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Related Party Transactions:

Particulars of contracts or arrangements with related parties referred to in sub-section (*1*) of section 188 in the form AOC-2:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014:

Details of contracts or arrangements or transactions not at arm's length basis: Nil

Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangement/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Date of passing of Special Resolution u/s 188 (1)(h)
Richhi Agarwal (Relative of the Director)	Salary Paid	12 Months	Salary paid to relative of Director for services rendered to the Company on arm's length basis.	Salary paid to relative of Director for services rendered to the Company on arm's length basis.	24-04-2023	NIL	N.A.
Priti Agarwal (Relative of the Director)	Salary Paid	12 Months	Salary paid to relative of Director for services rendered to the Company on arm's length basis.	Salary paid to relative of Director for services rendered to the Company on arm's length basis.	24-04-2023	NIL	N.A.
Zortea Logistics LLP	Vehicle & Machinery Hire Charge	12 Months	Amount Paid for services rendered to the	Amount Paid for services rendered to the Company on arm's length	24-04-2023	NIL	N.A.

	s		Company on arm's length basis.	basis.			

For and on behalf of the Board of Directors

For B. S. Sponge Pvt. Ltd.

Director

Ashish Agarwal
Director
DIN: 01218609
Address: House No-122 Las Vista, Amlidih, Raipur 492001 Chhattisgarh

For B. S. Sponge Pvt. Ltd.

Director

Parmanand Agarwal
Director
DIN: 00585415
Address: F-2B, 11 B.P. Road, Ballygunge, Kolkata 700019 West Bengal

23. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, your Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment.

The Board states that there were no cases or complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

24. Disclosure pertaining to cost audit report & its filing.

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has approved the appointment of M/s Arunava Dutta Chaudhary & Co., Cost Accountants, Kolkata as the cost auditors of the Company for the year ending 31st March, 2024

The Company has re-appointed to M/s Arunava Dutta Chaudhary & Co., Cost Accountants, Kolkata, to audit the cost accounts for the financial year 2024-25 i.e. from 01.04.2024 to 31.03.2025.

25. Secretarial Auditor & Audit Report & Directors Comments on Qualifications, if any:

The Secretarial Audit Report is obtained from CS Debashish Mukharjee, Practicing Company Secretary (CP No.: 5323) for the FY 2023-24 and is enclosed with this report as **Annexure - III**.

During the period under review, the Company has appointed CS Debashish Mukharjee, (CP No.: 5323), as the Secretarial auditor of the Company for the Financial year 2024-25 vide Board Resolution dated 16.07.2024.

The Secretarial Auditor's report for the financial year 2023-24 is **unqualified**

26. Risk Management Policy:

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defense cover of the Company's risk management. The Company has a robust organizational structure for managing and reporting on risks.

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Risk Management Policy inter alia includes identification of risks including cyber security and related risks and also those which in the opinion of the Board may threaten the existence of the Company. Risk management process has been established across the Company and is designed to identify assess and frame a response to threats that affect the achievement of its objectives. Further it is embedded across all the major functions and revolves around the goals and objectives of the organization.

27. Internal Financial Control with reference to the Financial Statements:

The Company has a proper and adequate system of internal controls. These controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. An extensive program of management reviews supplements the process of internal financial control framework. Documented policies, guidelines and procedures are in place for effective management of internal financial controls.

28.Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year:

No Applications were made under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2023-24.

Further no proceedings are pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2023-24.

29.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:

Not Applicable.

30. Acknowledgments:

Your directors take this opportunity to place on record their appreciation and sincere gratitude to the Government of India, and the Bankers to the Company for their valuable support and look forward to their continued co-operation in the years to come.

Your directors acknowledge the support and co-operation received from the employees and all those who have helped in the day-to-day management.

For and on behalf of the Board of Directors

For B. S. Sponge Pvt. Ltd.

Director

Ashish Agarwal
Director
DIN: 01218609
Address: House No-122 Las Vista, Amlidih, Raipur 492001 Chhattisgarh

For B. S. Sponge Pvt. Ltd.

Director

Parmanand Agarwal
Director
DIN: 00585415
Address: F-2B, 11 B.P. Road, Ballygunge, Kolkata 700019 West Bengal

Place: Kolkata
Dated: 25-09-2024

Annexure-1

1. ***Brief of Company's CSR policy:***

   The CSR vision of the Company is to build relationships of trust with the local community, society & stakeholders as good corporate citizens and to contribute towards development of a sustainable society for future generations.

   The CSR policy of the Company is formulated in consonance with the vision of the Company and laws down the guidelines and mechanisms to be adopted by the Company in order to carry on the CSR projects.

2. ***Composition of CSR Committee:***

   During the period under review, the CSR committee of the Company comprises of the following Directors:

Sr. No.	Name of the Directors	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ashish Agarwal	Chairman	2	2
2.	Mr. Parmanand Agarwal	Member	2	2

3. ***Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:*** NA

4. ***Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:*** NA

5. ***Average net profit of the company as per section 135(5)***

Average net profit/ loss of the last 3 financial years:

The average net profit of the Company pursuant to the provisions of Section 198 of the Companies Act, 2013 from the last 3 financial years is calculated as under:

Financial Year	Net Profit/(Loss) (in INR)
2020-21	Rs. 48,56,54,000.00/-
2021-22	Rs. 59,24,82,000.00/-/-
2022-23	Rs. 1,13,02,07,000.00/-
TOTAL	**Rs. 2,20,83,43,000.00/-**
Average Net Profit/Loss of last 3 financial years	Rs. 73,61,14,333.00/-

Amount of CSR Expenditure to be spent in the F.Y. 23-24:

Sr. No.	Particular	Net Profit/(Loss) (in INR)
1	Two percent of average net profit of the company as per section 135(5)	
	Average net profit/loss of last 3 financial years	Rs. 73,61,14,333.00/-
	2% of Average Net Profit	Rs. 1,47,22,287.00/-
2	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
3	Amount required to be set off for the financial year, if any	Nil
	Total CSR obligation for the financial year (1+2-3)	Rs. 1,47,22,287.00/-

6. ***Details of CSR Expenditure spent in the F.Y. 23-24:***

   a. ***Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs.*** 1,37,90,825.00/-

   b. **Amount spent in Administrative Overheads:** Nil

   c. **Amount spent on Impact Assessment, if applicable:** NA

   d. **Total amount spent for the Financial Year (a+b+c):** 1,37,90,825.00/-

   e. ***CSR amount spent or unspent for the financial year:***

Total Amount Spent for the Financial Year. (In Rs.)	*Amount Unspent (in Rs.)*				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		*Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).*		
	Amount	*Date of transfer*	**Name of the Fund**	**Amount**	*Date of transfer*
Rs. 1,37,90,825.00/-	-	-	-	-	-

f. Excess amount for set off:

Sr. No.	Particulars	Amount (In Rs.)
1.	Two percent of average net profit of the company as per section 135(5)	1,47,22,287.00/-
2.	Total amount spent for the Financial Year	1,37,90,825.00/-
3.	Excess amount spent for the financial year [2-1]	Nil
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	12,22,400.00/-
5.	Amount available for set off in succeeding financial years [3-4]	2,90,938.00/-

7. Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceeding Financial Years	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amou	Date		

					nt (in Rs.)	**of Transfer**		
1	2020-21	-	-	-	-	-	-	-
2	2021-22	-	-	-	-	-	-	-
3	2022-23	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

- o **Yes**
- • **No**

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: NA

For, B.S. Sponge Private Limited

For B. S. Sponge Pvt. Ltd.
Director

For B. S. Sponge Pvt. Ltd.
Director

Ashish Agarwal
Director
DIN: 01218609
Address: House No-122 Las Vista, Amlidih, Raipur 492001 Chhattisgarh

Parmanand Agarwal
Director
DIN: 00585415
Address: F-2B, 11 B.P. Road, Ballygunge, Kolkata 700019 West Bengal

Place: Kolkata
Date: 25th September, 2024

CSR POLICY

CSR POLICY OF B.S. SPONGE PRIVATE LIMITED

Preamble:

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operate. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society.

We, at B. S. Sponge Private Limited believe that creation of large societal capital is as important as wealth creation for our shareholders. As a responsible human organization, we are committed towards the above objective and are keen on developing a sustainable business model to ensure and activate our future growth drivers. In line with the regulatory expectations, we are putting in place a formal policy as a guide towards our social commitment going forward.

Policy Objectives:

The objective of the CSR Policy ("Policy") is to lay down the guiding principles in undertaking various Programs and projects by or on behalf of the company relating to Corporate Social Responsibility ("CSR") within the meaning of section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the CSR Policy Rules 2014. ("Rules")

Role of the CSR Committee:

- Draft the CSR policy and recommend the same to the Board for approval.
- Review and recommend any new CSR initiatives to be taken up by the company.

- Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy.
- Review and recommend the CSR report to be included in the board's report.
- Review and recommend any amendments to be made in the CSR policy of the Company.
- To carry such other functions as may be delegated to it by the board relating to CSR activities of the company.

CSR Initiatives

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

Focus Areas:

For purposes of focusing its CSR efforts in a continued and effective manner, the following areas have been identified:

1. Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
2. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of Art, setting up public libraries, promotion and development of traditional arts and handicrafts;
3. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
4. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
5. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers

and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural Development Projects.

Effects of Interpretations/Clarifications and Amendments on Projects/ Programs /Activities

The objective of the policy is to act as a guideline for the company in its endeavor to undertake socially relevant activities that will result in the overall objective of the company to create societal capital/assets for the common good and the list of activities shall be interpreted in a manner that will advance the objective. The policy shall be deemed to have amended or modified to the extent of any modification/amendments or clarifications issued by the Central Government from time to time in relation to the CSR obligations of companies and shall be interpreted accordingly.

Execution of Projects/Programs

The company may undertake one or more projects or programs or activities provided in the CSR policy either directly or through a Registered Trust or through a Registered Society or establish another company under Section 8 of the Companies Act, 2013 or even to collaborate with other entities. It can also acquire the services of experts in respective fields by appointing them as consultants in a particular program or project. Where implementation agencies are appointed for a particular project, the company shall acquire the necessary skills to run the program on its own within 3-5 years from its implementation where it is a continuing program. While engaging a third-party agency for implementing a project or program covered in the CSR policy, the CSR committee shall ensure that they have credible standing and experience in the respective fields for at least three preceding financial years.

CSR Expenditure

The Company shall endeavor to spend, in every financial year at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years for CSR Policy.

For this purpose, "average net profit" shall be calculated in accordance with provisions of Section 198 of the Companies Act, 2013, after deducting there from the dividends that may be received from companies in India which are covered under and complying with the provisions of Sec 135 of the Companies Act 2013.

The Company will give preference to the local area(s) in and around our offices in India. The Company may use the CSR capacities of their own personnel in executing the CSR activities and also effectively monitoring the same but such CSR expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.

Monitoring of CSR Activities

CSR committee of the company will be responsible for the monitoring of various CSR projects or programs undertaken by the company directly or indirectly. The committee shall ensure that;

- Company undertakes the CSR activities as provided in the CSR policy
- The projects/ programs are implemented as per the program approved by the board
- The budget allocated for each of the project is utilized for the projects as per the approved plans.
- Company shall provide necessary resources and human capital for implementation and the effective monitoring of the CSR projects and

programs as may be directed by the CSR Committee. The services of any external agencies or persons who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the company may also be made available for successful implementation an monitoring of the project.

Amendment of CSR Policy

The CSR policy of the company may be amended at any time by the board of the company on the Recommendation of the CSR committee.

Reporting of CSR Policy

On approval of the CSR policy or any amendments thereof, the contents of the policy shall be included in the Boards' report.

At the end of each financial year, the CSR committee shall prepare a report of the CSR program in the prescribed form relating to the financial year and submit to the board for its inclusion in the Board's report in the format recommended in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as may be amended from time to time, as part of its annual report.

For, B.S. Sponge Private Limited

For B. S. Sponge Pvt. Ltd.
Director

For B. S. Sponge Pvt. Ltd.
Director

Ashish Agarwal
Director
DIN: 01218609
Address: House No-122 Las Vista, Amlidih, Raipur 492001 Chhattisgarh

Parmanand Agarwal
Director
DIN: 00585415
Address: F-2B, 11 B.P. Road, Ballygunge, Kolkata 700019 West Bengal

Place: Kolkata
Date: 25th September, 2024

Annexure-II:

Disclosure pursuant to Rule 5 sub rule (2) and (3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is as under:

1.

Name	Parmanand Agarwal
Designation	Director
Remuneration	Remuneration: Rs. 6,00,00,000/- for the FY 2023-24
Nature of Employment	Mr. Parmanand Agarwal is paid remuneration as Director on the Board of the Company
Qualification & Experience	Qualification: Graduation Degree Experience: 50 years of experience in the Iron & Steel industry.
Date of Commencement of employment	12/06/2000
Age	78 Years
Last employment held	NA
Percentage of equity held in the Company	1088400 equity shares in the Company as on 31st March, 2024 constituting 23.19% of the total paid up share capital of the Company
Whether the employee is relative of existing Director of the Company	Yes, Parmanand Agarwal's son Ashish Agarwal is also on the Board of Directors of the Company.

For B. S. Sponge Pvt. Ltd.

Director

2.

Name	Ashish Agarwal
Designation	Director
Remuneration	Remuneration: Rs. 6,00,00,000/- for the FY 2023-24
Nature of Employment	Mr. Ashish Agarwal is paid remuneration as Director on the Board of the Company
Qualification & Experience	Qualification: Post Graduation Degree Experience: 20 years of experience in the Iron & Steel industry.
Date of Commencement of employment	09/02/2004
Age	42 Years
Last employment held	NA
Percentage of equity held in the Company	1681200 equity shares in the Company as on 31st March, 2024 constituting 35.81% of the total paid up share capital of the Company
Whether the employee is relative of existing Director of the Company	Yes, Ashish Agarwal's Father Mr. Parmanand Agarwal is also on the Board of Directors of the Company.

For B. S. Sponge Pvt. Ltd.

Director

DEBASISH MUKHERJEE

ADD = 49 REGENT COLONY KOLKTA-700040

PRACTICING COMPANY SECRETARY

EMAIL: dmaa64@yahoo.co.in
MOB : 9339830459

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
B.S. SPONGE PRIVATE LIMITED
34A, METCALFE STREET, 2ND FLOOR, ROOM NO.2C/3
KOLKATA-700013
CIN: U27102WB2000PTC091975

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **B.S. SPONGE PRIVATE LIMITED(CIN-U27102WB2000PTC091975)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2024** the Company complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;---------- Not Applicable

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;--------------- Not Applicable

iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- Not Applicable

a) The Securities and Exchange Board of India (Listing obligation and Disclosure requirements) Regulations, 2015 :- Not Applicable

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; :- Not Applicable

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; :- Not Applicable

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; :- Not Applicable

e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; :- Not Applicable

The Company has identified the following laws as specifically applicable to the Company:

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) .

ii) The Listing Agreement entered into by the company with the Calcutta Stock Exchange.(Not applicable)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

- Majority decision is carried through while the dissenting members' views

DEBASISH MUKHERJEE

ADD = 49 REGENT COLONY KOLKTA-700040

PRACTICING COMPANY SECRETARY

EMAIL: dmaa64@yahoo.co.in
MOB : 9339830459

I further report that:-

- There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- During the audit period no specific events/actions have taken place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place: **Kolkata**
Date: **19/09/2024**

D. MUKHERJEE KOLKATA COMPANY SECRETARY

Debasish Mukherjee
Practicing Company Secretary
C.P.No.5323
***UDIN NO-* A009680F001257841**

Note: This report is to be read with our letter of even date which is annexed and forms an integral part of this report.

DEBASISH MUKHERJEE

ADD = 49 REGENT COLONY KOLKTA-700040

PRACTICING COMPANY SECRETARY

EMAIL: dmaa64@yahoo.co.in
MOB : 9339830459

To,
The Members,
B.S. SPONGE PRIVATE LIMITED
34A, METCALFE STREET, 2ND FLOOR, ROOM NO.2C/3
KOLKATA-700013
CIN: U27102WB2000PTC091975

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: **Kolkata**
Date: 19/09/2024

D. MUKHERJEE KOLKATA COMPANY SECRETARY

Debasish Mukherjee
Practicing Company Secretary
C.P.No.5323

UDIN NO- **A009680F001257841**