ARSK & ASSOCIATES
CHARTERED ACCOUNTANTS

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Tel : (91) (33) 4095-2000
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **B.S. SPONGE PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at **31st March, 2025**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March, 2025**, its profit and total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Information Other than the Ind AS 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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including cash flows and in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 1" 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 including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.

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(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors as on 31st March, 2025 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".

(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 litigations on its financial position in its Ind AS financial statements. Refer note no. 39 to the Ind AS financial statements.

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 systems for maintaining its books of account for the financial year ended 31st March, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software system. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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 Regn. No.: 315082E

ARSK & ASSOCIATES Kolkata Chartered Accountants

CA. S.K. Kabra
Partner
Membership No: 052205

Place: Kolkata
Date: 18th day of September, 2025
UDIN: 25052205BMIYXP6178

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Annexure - 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

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

B. The Company has maintained proper records showing full particulars of intangible assets.

(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) Based on our examinations of documents provided to us, we report that the title deeds 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 the Ind AS financial statements, are held in the name of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or Intangible assets 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, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (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 inventory 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 banks are in agreement with books of accounts other than those as disclosed in the Note No - 55 to the Ind AS financial statements and set out below:

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Annexure - 2 TO THE INDEPENDENT AUDITOR'S REPORT

(Rs. In Lakhs)

Period	Particulars	Amount as per books	Amount as reported in the quarterly statements	Difference #
Quarter-I (30.06.2024)	Inventories (incl. advance given to supplier of raw material & stores)	32,426.23	30,222.78	2,203.45
	Trade Payables for raw materials & stores	7,418.75	4,504.71	2,914.04
	Trade Receivables	4,333.96	4,458.43	(124.47)
	Advance from customers	222.21	229.15	(6.94)
Quarter-II (30.09.2024)	Inventories (incl. advance given to supplier of raw material & stores)	26,654.33	22,568.67	4,085.66
	Trade Payables for raw materials & stores	4,800.76	2,797.64	2,003.12
	Trade Receivables	3,549.12	3,577.64	(28.52)
	Advance from customers	387.15	360.08	27.07
Quarter-III (31.12.2024)	Inventories (incl. advance given to supplier of raw material & stores)	27,520.69	25,097.99	2,422.70
	Trade Payables for raw materials & stores	2,167.67	1,628.98	538.69
	Trade Receivables	4,777.22	4,830.01	(52.79)
	Advance from customers	306.37	307.54	(1.18)
Quarter-IV (31.03.2025)	Inventories (incl. advance given to supplier of raw material & stores)	35,072.28	33,071.51	2,000.76
	Trade Payables for raw materials & stores	9,763.09	8,828.99	934.09
	Trade Receivables	4,584.17	4,621.17	(37.00)
	Advance from customers	745.69	735.83	9.86

The bank returns were prepared and filed before the completion of all financial statement closure activities including adjustments / reclassification relating to relevant Indian 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 financial institutions.

iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Hence reporting under clause 3(iii) of the order is not applicable.

iv. 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, to the extent applicable.

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v. 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 3(v) of the Order is not applicable.

vi. 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.

vii. (a) According to the information and explanation given to us and the books and records examined by us, the Company is generally 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, except delays in few cases.

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, 2025 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 which have not been deposited as on March 31, 2025, 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

viii. 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.

ix. (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 Ind AS financial statements of the Company, funds raised on short-term basis have, prima facie, not been utilised during the year for long-term purposes by the Company.

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Annexure - 2 TO THE INDEPENDENT AUDITOR'S REPORT

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

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

x. (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.

xi. (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.

xii. 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.

xiii. 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 Ind AS 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.

xiv. (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.

xv. 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.

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Annexure - 2 TO THE INDEPENDENT AUDITOR'S REPORT

xvi. 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.

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

xviii. 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.

xix. 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 Ind AS 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 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.

xx. (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

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Annexure - 2 TO THE INDEPENDENT AUDITOR'S REPORT

(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.

xxi. 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. S.K. Kabra
Partner
Membership No. 052205

Place: Kolkata
Date: 18th day of September, 2025

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Annexure – 2 TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **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 on 31st March, 2025 in conjunction with our audit of the Ind 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 Ind 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.

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Annexure – 2 TO THE INDEPENDENT AUDITOR'S REPORT

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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of 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 Ind AS 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 31st March, 2025, 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. S.K. Kabra
Partner
Membership No: 052205

Place: Kolkata
Date: 18th day of September, 2025

B.S. SPONGE PRIVATE LIMITED
CIN : U27102WB2000PTC091975
BALANCE SHEET AS AT 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

PARTICULARS	NOTE NO.	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	2	81,959.47	61,149.73	44,253.07
Right-of-use asset	3	274.19	235.64	-
Capital work in-progress	4	12,942.79	10,038.39	8,401.90
Intangible assets	5	51.90	13.55	6.48
Financial assets				
Investments	6	0.55	0.55	0.55
Loans	7	-	-	189.39
Other financial assets	8	3,284.43	541.68	306.73
Investments	9	-	40.10	32.66
Other non current assets	10	1,711.64	2,361.12	257.57
TOTAL NON-CURRENT ASSETS (A)		**1,00,224.97**	**74,380.76**	**53,448.35**
CURRENT ASSETS				
Inventories	11	23,137.31	20,843.23	14,403.87
Financial Assets				
Trade Receivables	12	4,584.17	2,702.63	2,012.27
Cash and cash equivalents	13	189.60	1,124.34	78.44
Bank balances other than cash and cash equivalents	14	249.25	-	-
Loans	7	-	204.07	-
Other financial assets	8	5,671.73	1,039.47	760.29
Current tax assets (net)	15	9.06	-	-
Other current assets	16	12,432.20	7,583.18	8,537.84
TOTAL CURRENT ASSETS (B)		**46,273.32**	**33,496.92**	**25,792.71**
TOTAL ASSETS (A+B)		**1,46,498.29**	**1,07,877.68**	**79,241.06**
EQUITY & LIABILITIES				
EQUITY				
Equity share capital	17	469.42	469.42	469.42
Other equity	18	61,326.39	44,751.72	30,310.71
TOTAL EQUITY (A)		**61,795.81**	**45,221.14**	**30,780.13**
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	19	42,589.60	30,626.81	25,267.67
Lease liabilities	20	187.32	156.62	-
Provisions	21	323.40	192.41	136.63
Deferred tax liabilities (Net)	22	3,569.44	4,073.93	5,065.04
TOTAL NON-CURRENT LIABILITES (B)		**46,669.76**	**35,049.77**	**30,469.34**
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	19	19,644.23	20,574.59	12,109.99
Lease liabilities	20	8.54	2.30	-
Trade Payables	23			
Total outstanding dues of micro and small enterprises		186.51	113.53	-
Total outstanding dues of creditors other than micro and small enterprises		9,576.58	2,831.56	1,871.93
Other financial liabilities	24	5,878.14	3,051.55	2,394.27
Other current liabilities	25	1,985.35	505.72	613.94
Provisions	21	753.37	527.52	1,001.46
TOTAL CURRENT LIABILITES (C)		**38,032.72**	**27,606.77**	**17,991.59**
TOTAL EQUITY & LIABILITIES (A+B+C)		**1,46,498.29**	**1,07,877.68**	**79,241.06**

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

For, B. S. Sponge Pvt. Ltd.

CA. S. K. Kabra
Partner
Membership No. 052205

Director

Place : Kolkata
Date : 18th day of September, 2025

For and on behalf of the board of directors

For, B. S. Sponge Pvt. Ltd.

Parmanand Agarwal
Director
DIN - 00585415

Ashish Agarwal
Director
DIN - 01218609

Director

B.S. SPONGE PRIVATE LIMITED
CIN : U27102WB2000PTC091975
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

PARTICULARS	Note No.	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Revenue from operations	26	2,18,781.75	1,49,438.96
Other income	27	469.88	185.74
TOTAL INCOME		**2,19,251.63**	**1,49,624.70**
EXPENSES			
Cost of materials consumed	28	1,61,967.88	1,02,231.54
Purchase of stock-in-trade		2.44	44.47
Changes in inventories of finished goods and work-in-progress	29	(2,866.70)	(901.87)
Employee benefits expense	30	7,537.15	4,658.44
Finance costs	31	5,255.47	4,306.60
Depreciation and amortization expense	32	7,456.06	6,139.07
Other expenses	33	18,482.20	14,898.61
TOTAL EXPENSES		**1,97,834.50**	**1,31,376.86**
PROFIT BEFORE TAX		**21,417.13**	**18,247.84**
TAX EXPENSE			
Current tax		5,236.11	4,731.55
Deferred tax		236.70	(958.11)
Income tax adjustment for earlier years		101.30	79.67
PROFIT FOR THE YEAR (A)		**15,843.02**	**14,394.73**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurement gains on defined benfit obligations		(9.54)	13.28
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurement gains on defined benfit obligations		2.40	(2.81)
Fair valuation of an item of property, plant & equipment		738.79	35.82
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)		**731.65**	**46.29**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		**16,574.67**	**14,441.02**
Earnings per equity share (in Rs.)	**34**		
Basic (Face value of Rs. 10 each)		337.50	306.65
Diluted (Face value of Rs. 10 each)		337.50	306.65

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

CA. S. K. Kabra
Partner
Membership No. 052205

ARSK & ASSOCIATES Kolkata Chartered Accountants

For and on behalf of the board of directors

For, B. S. Sponge Pvt. Ltd.
Director

Parmanand Agarwal
Director
DIN - 00585415

For, B. S. Sponge Pvt. Ltd.
Director

Ashish Agarwal
Director
DIN - 01218609

Place : Kolkata
Date : 18th day of September, 2025

B.S. SPONGE PRIVATE LIMITED
CIN : U27102WB2000PTC091975
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(A) Cash flow from operating activities		
Profit before tax	**21,417.13**	**18,247.84**
Adjustments for:		
Depreciation and amortization expense	7,456.06	6,139.06
Interest income	(352.63)	(126.35)
Rent income	(1.86)	(1.85)
Finance cost	4,611.67	3,840.68
Provision for gratuity	115.60	74.51
Provision for doubtful advances	50.07	-
Allowance/(reversal) for expected credit loss	17.58	(12.53)
Bad debts written off	-	53.72
GST credit written off	1.74	51.77
Sundry balances written off	110.75	134.93
Sundry balances written back	(55.34)	(20.80)
Profit on sale of property, plant & equipments	(26.09)	-
Net loss on fair value changes	66.20	47.79
Cash generated from operation before working capital changes	**33,410.88**	**28,428.77**
Adjusted for :		
(Increase) / Decrease in Inventories	(2,294.09)	(6,439.35)
(Increase) / Decrease in Trade receivables	(2,009.87)	(866.49)
(Increase) / Decrease in other current assets	(4,900.82)	698.82
Increase / (Decrease) in Trade payables	6,873.34	1,093.96
Increase / (Decrease) in other financial liabilities	2,863.52	816.21
Increase / (Decrease) in provision	511.87	(479.38)
Increase / (Decrease) in other current liabilities	1,479.63	(108.22)
Cash generated from operations	**35,934.47**	**23,144.31**
Tax paid (net)/Adjusted	(5,626.63)	(4,811.23)
Net cash flow from / (used in) operating activities (A)	**30,307.84**	**18,333.08**
(B) Cash flow from investing activities		
(Purchase) / Sale of property, plant and equipments (net)	(28,239.71)	(23,035.73)
(Purchase) / Sale of right-of-use asset	(38.55)	(235.65)
Addition/Deletion in capital work-in progress	(2,904.40)	(1,636.48)
Addition/Deletion in Intangible assets	(38.35)	(7.07)
Addition/Deletion in other non-current financial asset	(2,742.75)	(45.56)
Addition/Deletion in other current financial asset	(4,677.44)	(279.17)
Addition/Deletion in other non-current assets	649.48	(2,103.55)
Disposal of investments (net)	40.10	(7.44)
Interest income	352.63	126.35
Rent income	1.86	1.85
Net cash flow from / (used in) investing activities (B)	**(37,597.14)**	**(27,222.45)**
(C) Cash flow from financing activities		
Proceeds/(Repayment) from borrowings (net)	10,966.23	13,775.94
Interest paid	(4,611.67)	(3,840.68)
Net cash flow from / (used in) financing activities (C)	**6,354.56**	**9,935.26**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(934.74)**	**1,045.90**
Cash and cash equivalents at the beginning of the year	1,124.34	78.44
Cash and cash equivalents at the end of the year	**189.60**	**1,124.34**

Note : The above Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7.

As per our report of even date

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

For, B. S. Sponge Pvt. Ltd.

Director

CA. S. K. Kabra
Partner
Membership No. 052205
Place : Kolkata
Date : 18th day of September, 2025

For and on behalf of the Board of Directors

For, B. S. Sponge Pvt. Ltd.

Director

Parmanand Agarwal	**Ashish Agarwal**
Director	Director
DIN - 00585415	DIN - 01218609

B.S. SPONGE PRIVATE LIMITED
CIN : U27102WB2000PTC091975
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

A. EQUITY SHARE CAPITAL (REFER NOTE NO. 17)

Equity shares of Rs. 10 each	No. of shares	Amount
As at 1st April, 2023	46,94,210	469.42
As at 31st March, 2024	46,94,210	469.42
As at 31st March, 2025	46,94,210	469.42

B. OTHER EQUITY (REFER NOTE NO. 18)

	Reserves and Surplus			Items of Other Comprehensive Income (OCI)		
PARTICULARS	**Securities Premium**	**General Reserve**	**Retained Earnings**	**Revaluation Surplus**	**Remeasurement of Defined Benefit Obligation**	**Total**
Restated opening balance as at 1st April, 2023	**3,590.55**	**130.14**	**19,981.87**	**6,604.63**	**3.52**	**30,310.71**
Profit during the year	-	-	14,394.73	-	-	14,394.73
Other comprehensive income during the year	-	-	-	35.82	10.46	46.28
Closing balance as at 31 March, 2024	**3,590.55**	**130.14**	**34,376.60**	**6,640.45**	**13.98**	**44,751.72**
Profit during the year	-	-	15,843.02	-	-	15,843.02
Other comprehensive income during the year	-	-	-	738.79	(7.14)	731.65
Closing balance as at 31 March, 2025	**3,590.55**	**130.14**	**50,219.62**	**7,379.24**	**6.84**	**61,326.39**

As per our report of even date attached

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

CA. S. K. Kabra
Partner
Membership No. 052205

ARSK & ASSOCIATES ★ Kolkata ★ Chartered Accountants

Place : Kolkata
Date : 18th day of September, 2025

For and on behalf of the board of directors

For, B. S. Sponge Pvt. Ltd.
Director

Parmanand Agarwal
Director
DIN - 00585415

For, B. S. Sponge Pvt. Ltd.
Directo

Ashish Agarwal
Director
DIN - 01218609

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

A. Corporate Information

B.S. Sponge Private Limited (the "Company") is a private company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is primarily 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, West Bengal, India.

B. Statement of compliance and basis of preparation

a. Basis of preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. These financial statements for the year ended 31st March, 2025 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2024, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2024 and the opening Balance Sheet as at 1st April, 2023 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet and Statement of Profit and Loss are provided in Note No. 49 & 50. The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2023 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b. First time IND-AS adoption

(i) Transition to IND-AS

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted Ind AS w.e.f 1st April 2023 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2023. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

(ii) Reconciliations between previous GAAP and IND-AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The required reconciliations and related notes are represented in Note No. 51 to 53.

c. Current vs Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

& ASSOCIATES Kolkata

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025

(i) An asset is treated as current when it is:
- Expected to be realised or intended to be said or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(ii) A liability is treated as current when it is:
- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make judgment, estimates and assumptions that affect the reported amounts of revenue, expense, assets & liabilities and the disclosures relating to contingent liabilities. Examples of such estimates include impairment of financial assets, income taxes, recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used and the useful lives of property, plant and equipment, etc.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

C. Summary of material accounting policy information

a. Property, Plant and equipment

Property, plant and equipment are tangible items that:

(i) are held for use in the production or supply of goods or services,
(ii) are expected to be used during more than one period.

Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025

Property, plant and equipment are stated at their cost of acquisition/installation/construction net of accumulated depreciation and impairment losses, if any except for freehold land which has been measured on revaluation model with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair valur at the end of the reporting period.

Moreover, the initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent expenditures incurred after the property, plant and equipment have been put to use, such as repairs and maintenance are normally charged to the Statement of Profit and Loss in the period in which they are incurred. Whereas, major inspection and overhaul expenditure is capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can me measured reliably.

Depreciation on property, plant and equipment is calculated using the written down value method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

An item of property, plant and equipment initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net proceeds and the carrying value of the asset) is recognized in the Statement of Profit and Loss when the asset is derecognised.

b. Intangible asset

An intangible asset is recognised if, and only if:

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

(ii) 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 Company from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. 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:

(i) 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

(ii) the expenditure can be measured and attributed to the asset reliably.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025

c. Inventories

Inventories are valued at lower of cost or net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Raw materials, stores & spares, fuel and packing material :

Cost includes purchase price, other costs incurred in bringing the inventories to their present location and condition, and includes non-refundable taxes. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

(ii) Work-in-progress and finished goods :

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of stock-in-trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

d. Fair value measurement

The Company measures its financial instruments at fair value at each balance sheet date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

All assets and liabilities for which fair value is measured as disclosed in the financial statements are categorised within the fair value hierarchy described in Note no. 47.

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

e. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit and Loss are recognised immediately in Statement of Profit and Loss.

(i) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Where assets are measured at fair value, gains and losses are either recognised the statement of profit and loss (i.e. fair value through profit or loss) or in other comprehensive income (i.e. fair value through other comprehensive). A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option. Investments made in the equity shares are measured at cost.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other financial asset is measured at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through arrangement.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost i.e. trade receivables at each reporting date from its initial recognition.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

The Company measures the loss allowance for trade receivables by following 'simplified approach' using the provision matrix which takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

(ii) Financial liabilities

Initial recognition and measurement
All financial liabilities are recognised initially at fair value and, in the case of borrowings, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, lease liabilities along with trade and other paybles.

Subsequent measurement
All recognised financial liabilities are subsequently measured at either at amortised cost, or at fair value through profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost (net of transaction costs). Such costs, if are not very material, are amortized on straight-line basis, which gives results similar to EIR amortisation.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

f. Off setting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

g. Provisions and Contingencies

Provisions
Provisions are recognised when the Company has a present obligation (either legal or constructive) as a result of a past event and 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 the obligation.

Contingencies
- Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by 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. Information on contingent liabilities is disclosed in the Notes to the financial statements.

For, B. S. Sponge Pvt. Ltd.
Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

For, B. S. Sponge Pvt. Ltd.
Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025

- Contingent assets are not recognised in the books of the accounts but are disclosed in the notes, if any. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset and the corresponding income is booked in the Statement of Profit and Loss.

h. Revenue recognition

Sale of goods

Revenue recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements and is also exposed to inventory and credit risks.

However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rental income

Rental income from property leased out under operating leases is recognised in the statement of profit and loss on a straight-line basis over the term of the lease as per IND AS 116.

Interest & other incomes

Interest income is recognised on time proportionate basis taking into account the amount outstanding and the rate applicable.
Other items of income are recognised on accrual basis.

i. Retirement and other employee benefits

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.

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.

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025

b. Defined Benefit Plans

- 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.
- Termination benefits are recognized as an expense as and when incurred.

j. Taxation

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

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Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025

k. Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lesse :

Right-of-use assets

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The right of use assets is also subject to impairment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities

Lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect the lease payments made. ROU asset and lease liabilities have been separately presented in the Balance Sheet.

Short-term leases and leases of low-value

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (range differs for different class of assets). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straightline basis over the lease term.

l) Cash and cash equivalents

Cash and cash equivalent in the balance sheet and for the purpose of statement of cash flows comprise cash at banks and on hand, short term deposits with an original maturity of three months or less and subject to an insignificant risk of changes in value.

m) Borrowing Cost

Borrowing costs relating to the acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

For, B. S. Sponge Pvt. Ltd.

Director

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For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025

n) Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders, and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive.

D. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

a. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b. Property, plant and equipment

Management assesses the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

c. Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realized.

d. Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

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Chartered Accountants

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

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

NOTE 2 PROPERTY, PLANT & EQUIPMENT

PARTICULARS	Freehold Land	Building	Plant & Machinery	Office equipments	Motor Vehicles	Furniture & Fixtures	Computers	TOTAL
Gross carrying value								
Deemed cost as at 1st April, 2023	**8,749.00**	**251.57**	**35,031.70**	**47.52**	**157.73**	**4.61**	**10.93**	**44,253.07**
Additions	-	702.78	22,103.18	51.46	132.36	10.60	29.17	**23,029.55**
Disposals / Reclassifications	-	-	-	-	-	-	-	-
Opening balance as at 31st March, 2024	**8,749.00**	**954.35**	**57,134.88**	**98.98**	**290.09**	**15.21**	**40.10**	**67,282.61**
Additions	2,382.45	95.06	25,084.67	85.04	520.50	18.94	73.90	**28,260.56**
Disposals / Reclassifications	-	-	-	-	1.02	-	2.37	**3.39**
Balance as at 31st March, 2025	**11,131.45**	**1,049.41**	**82,219.55**	**184.03**	**809.57**	**34.15**	**111.63**	**95,539.80**
Accumulated depreciation								
Opening balance as at 1st April, 2023	-	-	-	-	-	-	-	-
Additions	-	27.17	5,993.20	32.26	61.50	2.50	20.84	**6,137.46**
Disposals / Reclassifications	-	-	-	-	-	-	4.58	**4.58**
Opening balance as at 31st March, 2024	-	**27.17**	**5,993.20**	**32.26**	**61.50**	**2.50**	**16.26**	**6,132.89**
Additions	-	91.22	7,110.28	51.49	142.83	6.05	45.56	**7,447.43**
Disposals / Reclassifications	-	-	-	-	-	-	-	-
Balance as at 31st March, 2025	-	**118.39**	**13,103.48**	**83.75**	**204.33**	**8.55**	**61.82**	**13,580.32**
Net carrying value								
Balance as at 1st April, 2023	8,749.00	251.57	35,031.70	47.52	157.73	4.61	10.93	**44,253.07**
Balance as at 31st March, 2024	8,749.00	927.18	51,141.68	66.72	228.59	12.71	23.84	**61,149.73**
Balance as at 31st March, 2025	11,131.45	931.02	69,116.07	100.28	605.24	25.60	49.81	**81,959.47**

Note :

a. The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying value i.e. 31st March, 2023 as its gross carrying value on the date of transition to IND AS i.e. 1st April 2023, except for freehold land which has been measured at its fair value as its deemed cost at that date, determined by obtaining an external third party registered valuer's report using level 3 valuation technique.

b. Property, Plant & Equipment have been hypothecated as security for borrowings. Refer Note 19 for details.

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

For B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 3 RIGHT-OF-USE ASSETS

PARTICULARS	Freehold Land	Distribution facility	TOTAL
Gross carrying value			
Opening balance as at 1st April, 2023	-	-	-
Additions	237.24	-	**237.24**
Disposals / Reclassifications	-	-	-
Balance as at 31st March, 2024	**237.24**	-	**237.24**
Additions	-	44.67	**44.67**
Disposals / Reclassifications	-	-	-
Balance as at 31st March, 2025	**237.24**	**44.67**	**281.91**
Accumulated depreciation			
Opening balance as at 1st April, 2023	-	-	-
Additions	1.60	-	**1.60**
Disposals / Reclassifications	-	-	-
Balance as at 31st March, 2024	**1.60**	-	**1.60**
Additions	2.40	3.72	**6.12**
Disposals / Reclassifications	-	-	-
Balance as at 31st March, 2025	**4.00**	**3.72**	**7.72**
Net carrying value			
Balance as at 1st April, 2023	-	-	-
Balance as at 31st March, 2024	235.64	-	**235.64**
Balance as at 31st March, 2025	233.24	40.95	**274.19**

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 4 CAPITAL WORK IN PROGRESS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Balance at the beginning of the year	10,038.39	8,401.90	5,605.79
Add: Additions during the year	26,747.87	23,100.39	24,489.22
Less: Capitalised during the year	23,843.47	21,463.90	21,693.11
Balance at the end of the year	**12,942.79**	**10,038.39**	**8,401.90**

Ageing of capital-work-in progress as at 31st March, 2025 :

PARTICULARS	Amount in CWIP for a period of				
	Less than 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
Project in progess	12,942.79	-	-	-	12,942.79
Project temporarily suspended	-	-	-	-	-
TOTAL	**12,942.79**	-	-	-	**12,942.79**

Ageing of capital-work-in progress as at 31st March, 2024 :

PARTICULARS	Amount in CWIP for a period of				
	Less than 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
Project in progess	10,038.39	-	-	-	10,038.39
Project temporarily suspended	-	-	-	-	-
TOTAL	**10,038.39**	-	-	-	**10,038.39**

Ageing of capital-work-in progress as at 1s April, 2023 :

PARTICULARS	Amount in CWIP for a period of				
	Less than 1 year	1- 2 years	2 - 3 years	More than 3 years	Total
Project in progess	8,401.90	-	-	-	8,401.90
Project temporarily suspended	-	-	-	-	-
TOTAL	**8,401.90**	-	-	-	**8,401.90**

NOTE The Company does not have any project temporarily suspended or any capital-work-in progress which is overdue or has exceeded its cost compared to its original plan.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 5 INTANGIBLE ASSETS

PARTICULARS	AMOUNT
Gross carrying value	
Deemed cost as at 1st April, 2023	**6.48**
Additions during the year	11.65
Disposals / Reclassifications	-
Opening balance as at 31st March, 2024	**18.13**
Additions during the year	40.86
Disposals / Reclassifications	-
Balance as at 31st March, 2025	**58.99**
Accumulated amortisation	
Opening balance as at 1st April, 2023	**-**
Amortisation for the year	4.58
Disposals / Reclassifications	-
Opening balance as at 31st March, 2024	**4.58**
Amortisation for the year	2.51
Disposals / Reclassifications	-
Balance as at 31st March, 2025	**7.09**
Net carrying value	
As at 1st April, 2023	**6.48**
As at 31st March, 2024	**13.55**
As at 31st March, 2025	**51.90**

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 6 INVESTMENTS

PARTICULARS	As at 31st March, 2025		As at 31st March, 2024		As at 1st April, 2023	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
(Investment in unquoted equity shares, measured at fair value through profit or loss)						
Vimla Infrastructure (India) Private Limited (FV : Rs. 10)*	500	0.55	500	0.55	500	0.55
TOTAL		**0.55**		**0.55**		**0.55**
Aggregate carrying value of unquoted investments		0.55		0.55		0.55

* Cost of the unquoted equity instrument has been considered as an appropriate estimate of fair value because of wide range of possible fair value measurement and cost represents the best estimate of fair value within that range.

NOTE 7 LOANS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
(Unsecured, considered good unless otherwise stated)			
Non-Current			
Loan given to a related party *	-	-	189.39
TOTAL (A)	-	-	**189.39**
Current			
Loan given to a related party*	-	204.07	-
TOTAL (B)	-	**204.07**	-
TOTAL [(A+B)]	-	**204.07**	**189.39**

* The above unsecured loan have been given for general corporate purposes.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 8 OTHER FINANCIAL ASSETS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
(Unsecured, considered good unless otherwise stated)			
Non-Current			
Measured at amortised cost			
Security deposits	159.90	152.57	149.28
Fixed deposits*	3,124.53	389.11	157.45
TOTAL (A)	**3,284.43**	**541.68**	**306.73**
Current			
Measured at amortised cost			
Fixed deposits*	5,560.80	973.81	598.23
Security deposits	0.81	-	-
Interest accrued on			
Security deposits	8.16	6.88	4.28
Fixed deposits	101.96	58.78	157.78
TOTAL (B)	**5,671.73**	**1,039.47**	**760.29**
TOTAL [(A+B)]	**8,956.16**	**1,581.15**	**1,067.02**

*Fixed deposits of Rs. 3,917.60 Lacs (PY. Rs. : 201.05 Lacs) has been under lien against credit facilities availed by the Company.

NOTE 9 INVESTMENTS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Gold coins	-	40.10	32.66
TOTAL	**-**	**40.10**	**32.66**

NOTE 10 OTHER NON CURRENT ASSETS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Capital advances	1,002.93	2,348.00	237.41
Advance against pre-emptive rights	705.03	-	-
Prepaid expenses	3.68	13.12	20.16
TOTAL	**1,711.64**	**2,361.12**	**257.57**

NOTE 11 INVENTORIES

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
(At lower of cost or net realisable value)			
Raw materials	15,372.53	16,408.18	10,824.46
Work in progress	621.23	302.66	329.37
Stores and Spares	1,265.17	802.14	848.37
Finished goods	5,333.58	2,733.87	2,295.74
By products	544.80	596.38	105.93
TOTAL	**23,137.31**	**20,843.23**	**14,403.87**

For, B. S. Sponge Pvt. Ltd.

Director

Kolkata
Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 12 TRADE RECEIVABLES

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Trade receivables considered good - Secured	-	-	-
Trade receivables considered good - Unsecured	4,601.91	2,702.79	2,024.96
Less : Allowance for expected credit loss	(17.74)	(0.16)	(12.69)
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	-	-	-
TOTAL	**4,584.17**	**2,702.63**	**2,012.27**

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2025 is as follows:

PARTICULARS	Not Due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed, considered good	-	4,524.85	6.10	70.96	-	-	4,601.91
Undisputed, which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed, credit impaired	-	-	-	-	-	-	-
Disputed , considered good	-	-	-	-	-	-	-
Disputed which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed, credit impaired	-	-	-	-	-	-	-
TOTAL (A)	-	**4,524.85**	**6.10**	**70.96**	-	-	**4,601.91**
Allowance for expected credit loss	-	-	-	(17.74)	-	-	(17.74)
TOTAL (B)	-	-	-	**(17.74)**	-	-	**(17.74)**
TOTAL (A)+(B)	-	**4,524.85**	**6.10**	**53.22**	-	-	**4,584.17**

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES ★ Kolkata ★ Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

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

Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2024 is as follows:

PARTICULARS	Not Due	Outstanding 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, considered good	-	2,602.47	99.66	0.66	-	-	2,702.79
Undisputed, which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed, credit impaired	-	-	-	-	-	-	-
Disputed , considered good	-	-	-	-	-	-	-
Disputed which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed, credit impaired	-	-	-	-	-	-	-
TOTAL (A)	-	**2,602.47**	**99.66**	**0.66**	-	-	**2,702.79**
Allowance for expected credit loss	-	-	-	(0.16)	-	-	(0.16)
TOTAL (B)	-	-	-	**(0.16)**	-	-	**(0.16)**
TOTAL (A)+(B)	-	**2,602.47**	**99.66**	**0.50**	-	-	**2,702.63**

Ageing for trade receivables from the due date of payment for each of the category as at 1st April, 2023 is as follows:

PARTICULARS	Not Due	Outstanding 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, considered good	-	1,970.22	3.96	50.78	-	-	2,024.96
Undisputed, which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed, credit impaired	-	-	-	-	-	-	-
Disputed , considered good	-	-	-	-	-	-	-
Disputed which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed, credit impaired	-	-	-	-	-	-	-
TOTAL (A)	-	**1,970.22**	**3.96**	**50.78**	-	-	**2,024.96**
Allowance for expected credit loss	-	-	-	(12.69)	-	-	(12.69)
TOTAL (B)	-	-	-	**(12.69)**	-	-	**(12.69)**
TOTAL (A)+(B)	-	**1,970.22**	**3.96**	**38.09**	-	-	**2,012.27**

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 13 CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Cash on hand	23.61	23.42	21.43
Bank balances			
Current account	12.27	43.96	57.01
Cash credit	153.72	58.96	-
Fixed deposits with original maturity of less than three months	-	998.00	-
TOTAL	**189.60**	**1,124.34**	**78.44**

NOTE 14 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Fixed deposits with original maturity of less than twelve months*	249.25	-	-
TOTAL	**249.25**	**-**	**-**

*Fixed deposits are under lien against credit facilities availed by the Company.

NOTE 15 CURRENT TAX ASSETS (NET)

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Advance income tax (net of provisions)	9.06	-	-
TOTAL	**9.06**	**-**	**-**

NOTE 16 OTHER CURRENT ASSETS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
(Unsecured, considered good)			
Advance			
given to suppliers	11,834.83	6,377.22	7,691.65
given to staffs	52.56	48.34	20.05
given to others	-	750.00	-
against expense	337.67	190.66	421.12
given to ex-staff	-	-	0.65
Balance with revenue authorities	113.62	188.39	363.46
Prepaid expenses	43.45	28.57	20.83
Subsidy receivable	-	-	20.08
(Unsecured, considered doubtful)			
Advance to supplier	100.14	-	-
Less: Provision for doubtful advance	(50.07)	-	-
TOTAL	**12,432.20**	**7,583.18**	**8,537.84**

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES ★ Kolkata ★ Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
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NOTE 17 EQUITY SHARE CAPITAL

PARTICULARS	As at 31st March, 2025		As at 31st March, 2024		As at 1st April, 2023	
Authorised share capital	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Equity Shares of Rs. 10/- each	47,50,000	475.00	47,50,000	475.00	47,50,000	475.00
4% Non-Cumulative Optionally Convertible Preference Shares of Rs. 10/- each	17,50,000	175.00	17,50,000	175.00	17,50,000	175.00
TOTAL		**650.00**		**650.00**		**650.00**

PARTICULARS	As at 31st March, 2025		As at 31st March, 2024		As at 1st April, 2023	
Issued, subscribed and fully paid up	**No. of shares**	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Equity Shares of Rs. 10/- each	46,94,210	469.42	46,94,210	469.42	46,94,210	469.42
4% Non-Cumulative Optionally Convertible Preference Shares of Rs. 10/- each	6,76,875	-	6,76,875	-	6,76,875	-
TOTAL		**469.42**		**469.42**		**469.42**

a. **Reconcilliation of number of equity shares of Rs. 10 each and outstanding equity share capital**

Particulars	As at 31st March, 2025		As at 31st March, 2024		As at 1st April, 2023	
	No. of shares	**Amount**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
At the beginning of the year	46,94,210	469.42	46,94,210	469.42	46,94,210	469.42
Changes during the year	-	-	-	-	-	-
At the end of the year	**46,94,210**	**469.42**	**46,94,210**	**469.42**	**46,94,210**	**469.42**

b. **Terms/Rights attached to equity and preference shares**

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.

6,76,875 nos. 4% Non-Cumulative Optionally Convertible Redeemable Preference Shares (OCPS) of Rs. 10/- each carries an option of redemption at pre-determined prices or conversion into Equity shares and are treated as Borrowings since the number of Equity shares are not fixed (Refer Note No. 20.3). The OCPS carries a dividend of 4% p.a, payable in terms of the applicable provisions of the Companies Act, 2013. The dividend rights are non-cumulative. In case the OCPS are not redeemed/converted prior to 20th anniversary from the date of allotment, these shall automatically and mandatorily convert into Equity shares at the end of said 20 years. In case of winding up, if surplus exists, the outstanding OCPS (if any) will be redeemable at par.

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

c. Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at 31st March, 2025		As at 31st March, 2024		As at 1st April, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding	No. of shares	% of shareholding
Parmanand Agarwal	10,88,400	23.19%	10,88,400	23.19%	10,88,400	23.19%
Ashish Agarwal	16,81,200	35.81%	16,81,200	35.81%	16,81,200	35.81%
Sulochana Agarwal	4,58,000	9.76%	4,58,000	9.76%	4,58,000	9.76%
Nachiketa Gift-Ads Pvt. Ltd.	13,86,610	29.54%	13,86,610	29.54%	11,93,800	25.43%
Total	**46,14,210**	**98.30%**	**46,14,210**	**98.30%**	**44,21,400**	**94.19%**

d. Details of shareholdings by Promoters of the Company

Name of the promoter	As at 31st March, 2025		As at 31st March, 2024		% change during the year
	No. of shares	% of shareholding	No. of shares	% of shareholding	
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%	13,86,610	29.54%	-
Total	**46,14,210**	**98.30%**	**46,14,210**	**98.30%**	**-**

Name of the promoter	As at 31st March, 2024		As at 1st April, 2023		% change during the year
	No. of shares	% of shareholding	No. of shares	% of shareholding	
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%**

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

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

f. The Company during the preceeding five years :

i. has not alloted equity shares pursuant to contracts without payment received in cash ;

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

iii. has not bought back any shares.

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

h. The Company has issued 4% Non-Cumulative Optionally Convertible Redeemable Preference Shares during the preceeding financial years. Details are disclosed in Note No. 19.3.

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

j. Par value per share is Rs. 10 each.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 18 OTHER EQUITY

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
General reserve	130.14	130.14	130.14
Security premium	3,590.55	3,590.55	3,590.55
Retained earnings	50,219.62	34,376.60	19,981.87
Other comprehensive income	7,386.08	6,654.44	6,608.15
TOTAL	**61,326.39**	**44,751.72**	**30,310.71**

Securities Premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General Reserves
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the Total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained Earnings
Retained earnings includes surplus in the Statement of Profit and Loss, Ind-AS related adjustments as on the date of transition, remeasurement gains/losses on defined benefit plans less any transfer to general reserve, dividends or other distributions paid to shareholders. Includes Rs. 8,610.55 Lacs on revaluation of property, plant and equipment at the time of transition to Ind AS.

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 19 BORROWINGS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Non - Current			
Secured, measured at amortised cost			
Term loans from banks (Refer Note No. 19.1)	38,733.37	27,124.49	22,217.40
Vehicle loan from banks (Refer Note No. 19.2)	570.12	557.64	70.90
Unsecured, measured at amortised cost			
Borrowings from related parties*	2,158.30	1,883.07	1,965.56
Unsecured, measured through FVTPL			
4% Non-cumulative optionally convertible redeemable preference shares (OCPS) (Refer Note No. 19.3)	1,127.81	1,061.61	1,013.82
TOTAL (A)	**42,589.60**	**30,626.81**	**25,267.67**

* Rate of interest on the unsecured borrowings taken from related parties is 9.10% p.a.

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Current			
Secured, measured at amortised cost			
Term loans from banks	4,298.09	3,175.64	2,409.57
Vehicle loan from banks	346.71	311.99	145.93
Working capital facility from banks			
Overdraft (Refer Note No. 19.4)	-	42.41	40.62
Cash credit (Refer Note No. 19.5)	4,404.83	6,444.55	7,234.99
Working capital demand loan (Refer Note No. 19.6)	10,594.60	10,600.00	2,278.88
TOTAL (B)	**19,644.23**	**20,574.59**	**12,109.99**
TOTAL [(A)+(B)]	**62,233.83**	**51,201.40**	**37,377.66**

NOTE 19.1 Details of term loans :

a. **Term Loan from Indian Bank (Sanctioned amount : Rs. 1,300.00 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: First pari passu 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, PO Gerwani, District Raigarh, Chattisgarh.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.10% p.a.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

b. **Term Loan from Indian Bank (Sanctioned amount : Rs. 600.00 Lacs)**
Repayable in 25 quarterly principal repayments of Rs. 21.00 Lacs and 3 repayment of Rs. 25.00 Lacs ending in September'2025.
Primary Security: Exclusive hypothecation charge over Plant & Machineries of the 4th Klin having capacity of 100TPD, procured out of the aforesaid term loan.
Collateral Security:Exclusive equitable mortgage charge on the entire land and building, factory shed of the Company at Village Tariamal, PO Gerwani, District Raigarh, Chattisgarh.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.10% p.a.

c. **Term Loan from HDFC Bank (Sanctioned amount : Rs. 2,500.00 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: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.25% p.a.

d. **Term Loan from HDFC Bank (Sanctioned amount : Rs. 2,100.00 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: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.25% p.a.

e. **Term Loan from Indian Bank (Sanctioned amount : Rs. 847.00 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, PO Gerwani, District Raigarh, Chattisgarh.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.25% p.a.

f. **Term Loan from HDFC Bank (Sanctioned amount : Rs. 1,000.00 Lacs)**
Repayable in 48 monthly principal repayments of Rs. 20.83 Lacs ending in March'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: 10.15% p.a.

g. **Term Loan from HDFC Bank (Sanctioned amount : Rs. 3,000.00 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: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.25% p.a.

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

Kolkata

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

h. **Term Loan from Axis Bank (Sanctioned amount : Rs. 2,200.00 Lacs)**
Repayable in 32 Equal quarterly installments of Rs. 68.75 Lacs each from the date of first disbursement.
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: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.40% p.a.

i. **Term Loan from HDFC Bank (Sanctioned amount : 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: 9.30% p.a.

j. **Term Loan from HDFC Bank (Sanctioned amount : 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: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.25% p.a.

k. **Term Loan from HDFC Bank (Sanctioned amount : Rs. 1,000.00 Lacs)**
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: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.25% p.a.

l. **Term Loan from Indian Bank (Sanctioned amount : Rs. 6,800.00 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 Klins 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, PO Gerwani, District Raigarh, Chattisgarh.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.10% p.a.

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

m. **Term Loan from SBI (Sanctioned amount : Rs. 9,000.00 Lacs)**
Repayable in 31 quarterly principal repayments ranging between Rs. 168.75 Lacs to Rs. 351.56 Lacs ending in September'2032.
Primary Security: First Pari passu charge by way of hypothecation of existing plant and machinery, other moveable assets and proposed 2 Klins (DRI Plant) , Induction furnace (2*15 MT each) , Ferro (1*9 MVA) and captive power plant (20 MW) in existing steel plant of company at Raigarh, Chhattisgarh. Second Pari passu charge by way of hypothecation of entire current assets.
Collateral Security: First Pari passu equitable mortgage charge of the factory land and shed/building situated at Kh no 1/4k, old P H no 36, New PH no 9, 36.739 hectare in line with lead bank sanction.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.25% p.a.

n. **Term Loan from Axis Bank (Sanctioned amount : Rs. 2,400.00 Lacs)**

Repayable in 90 monthly Installments of Rs. 27 Lacs each after 30 Months from the date of first disbursement.
Primary Security: Continuation of first pari-passu charge by hypothecation on all movable fixed assets (including plant, machinery, and equipment) in favor of TL lenders – Axis, Indian Bank, SBI, and HDFC Bank.
Collateral Security: Extension of first pari-passu equitable mortgage on the Company's land, building, and factory shed at Taraimal (PO Gerwani, Raigarh) in favor of both WC and TL lenders (Indian Bank, SBI, HDFC Bank, Axis Bank), covering freehold land and factory building at Survey Nos. 132 & 135, Halka No. 9, Khasra No. 1/4K, Ph. No. 9 (New), 36 (Old), measuring 36.739 hectares (90.782 acres), owned by the Company.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.50% p.a.

o. **Term Loan from HDFC Bank (Sanctioned amount : Rs. 8,000.00 Lacs)**
Repayable in 35 quaterly installments of Rs. 163.00 Lacs each starting from September'25.
Primary Security: First pari pasu charge on entire Movable Fixed assets of the company.
First pari pasu charge on entire Immovable fixed asset ofthe company. Second Pari passu charge on entire current asset of the Company.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.25% p.a.

p. **Term Loan from HDFC Bank (Sanctioned amount : Rs. 8,000.00 Lacs)**
Repayable in 35 quaterly installments of Rs. 35.74 Lacs each starting from September'25.
Primary Security: First pari pasu charge on entire Movable Fixed assets of the company.
First pari pasu charge on entire Immovable fixed asset ofthe company. Second Pari passu charge on entire current asset of the company.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.25% p.a.

q. **Term Loan from HDFC Bank (Sanctioned amount : Rs. 8,000.00 Lacs)**
Repayable in 35 quaterly installments of Rs. 29.17 Lacs each starting from April'25.
Primary Security: First pari pasu charge on entire Movable Fixed assets of the company.
First pari pasu charge on entire Immovable fixed asset ofthe company. Second Pari passu charge on entire current asset of the Company.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.25% p.a.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

r. **Term Loan from Indian Bank (Sanctioned amount : Rs. 5,800.00 Lacs)**
Repayable in 21 quarterly installments of Rs. 276.00 Lacs and 1 installment of Rs. 4.00 Lacs ending in Jaunary'2032.
Primary Security: First pari passu charge on entire movable fixed assets of the Company both existing and proposed.
Collateral Security: Second pari passu on entire current assets of the Company.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the Company.
Present interest rate: 9.20% p.a.

NOTE 19.2 Details of Vehicle loans:

Lender	Description	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Indusind Bank A/c No- Backhole Loader (Fra00891e)	(i) Repayable in 47 EMIs of Rs. 0.67 Lacs ending in June 2025 (ii) Rate of interest - 8.59% p.a.	1.97	9.45	16.31
Indusind Bank A/c No- Hm Loader (Fra00892e)	(i) Repayable in 47 EMIs of Rs. 0.97 Lacs ending in June 2025 (ii) Rate of interest - 8.5% p.a.	2.87	13.74	23.73
HDFC Bank Loan A/c No- 87709689	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.5% p.a.	-	35.09	49.62
HDFC Bank Loan A/c No- 87792300	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.51% p.a.	-	13.19	17.44
HDFC Bank Loan A/c No- 87850462	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.5% p.a.	-	27.84	-
HDFC Bank Loan A/c No- 87850626	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.5% p.a.	-	27.84	-
HDFC Bank Loan A/c No-87850640	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.5% p.a.	-	27.84	-
HDFC Bank Loan A/c No- 87850648	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.5% p.a.	-	27.84	-
HDFC Bank Loan A/c No- 87853569	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.51% p.a.	-	15.31	-
HDFC Bank Loan A/c No- 87853591	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.51% p.a.	-	15.31	-
HDFC Bank Loan A/c No- 87857899	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.5% p.a.	-	4.62	-
HDFC Bank Loan A/c No- 87857925	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.5% p.a.	-	4.62	-
HDFC Bank Loan A/c No- 87889277	(i)Repaid on 19.09.2024. (ii) Rate of interest - 8.99% p.a.	-	28.13	-
HDFC Bank Loan A/c No- 87889265	(i)Repaid on 19.09.2024. (ii) Rate of interest - 8.99% p.a.	-	28.13	-
HDFC Bank A/c No- 88300678	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.5% p.a.	-	40.09	-
HDFC Bank Loan A/c No- 142682690	(i)Repaid on 19.09.2024. (ii) Rate of interest - 9.15% p.a.	-	7.42	-

For, B. S. Sponge Pvt. Ltd.
Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

For, B. S. Sponge Pvt. Ltd.
Director

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

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

Lender	Description	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
HDFC Bank Loan A/c No- 89239897	(i)Repayable in 37 EMIs of Rs. 0.57 Lacs ending in January 2027 (ii) Rate of interest - 9.05% p.a.	11.61	17.18	-
HDFC Bank Loan A/c No- 89377064	(i)Repayable in 37 EMIs of Rs. 1.4 Lacs ending in February 2027 (ii) Rate of interest - 9.05% p.a.	29.37	42.79	-
HDFC Bank Loan A/c No- 89377025	(i)Repayable in 37 EMIs of Rs. 1.4 Lacs ending in February 2027 (ii) Rate of interest - 9.05% p.a.	29.37	42.79	-
HDFC Bank Loan A/c No- 89376243	(i)Repayable in 37 EMIs of Rs. 1.4 Lacs ending in February 2027 (ii) Rate of interest - 9.05% p.a.	29.37	42.79	-
HDFC Bank Loan A/c No- 89376200	(i)Repayable in 37 EMIs of Rs. 1.4 Lacs ending in February 2027 (ii) Rate of interest - 9.05% p.a.	29.37	42.79	-
HDFC Bank Loan A/c No- 89558025	(i) Repayable in 37 EMIs of Rs. 1.03 Lacs ending in February 2027 (ii) Rate of interest - 9.05% p.a.	21.74	31.68	-
HDFC Bank Loan A/c No- 89635354	(i)Repayable in 37 EMIs of Rs. 2.14 Lacs ending in March 2027 (ii) Rate of interest - 8.55% p.a.	47.13	67.85	-
HDFC Bank Loan A/c No- 89662706	(i)Repayable in 37 EMIs of Rs. 1.4 Lacs ending in March 2027 (ii) Rate of interest - 9.05% p.a.	30.55	43.85	-
HDFC Bank Loan A/c No- 89662728	(i)Repayable in 37 EMIs of Rs. 1.4 Lacs ending in March 2027 (ii) Rate of interest - 9.05% p.a.	30.55	43.85	-
HDFC Bank Loan A/c No- 89819215	(i)Repayable in 37 EMIs of Rs. 1.82 Lacs ending in April 2027 (ii) Rate of interest - 8.65% p.a..	41.33	59.00	-
HDFC Bank Loan A/c No- 99551325	(i)Repayable in 37 EMIs of Rs. 1.7 Lacs ending in May 2027 (ii) Rate of interest - 9.40% p.a.	39.77	54.31	-
HDFC Bank Loan A/c No- 99551288	(i)Repayable in 37 EMIs of Rs. 1.7 Lacs ending in May 2027 (ii) Rate of interest - 9.40% p.a.	39.77	54.31	-
HDFC Bank Loan A/c No- 800111715	(i)Repayable in 37 EMIs of Rs. 1.08 Lacs ending in August 2027 (ii) Rate of interest - 9.40% p.a.	27.86	-	-
HDFC Bank Loan A/c No- 800111693	(i)Repayable in 37 EMIs of Rs. 1.08 Lacs ending in August 2027 (ii) Rate of interest - 9.40% p.a.	27.86	-	-
HDFC Bank LoanA/c No- Mercedes A/c No- 153483446	(i) Repayable in 60 EMIs of Rs. 1.51 Lacs ending in July 2029 (ii) Rate of interest - 8.80% p.a.	65.01	-	-

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

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

Lender	Description	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
HDFC Bank Loan A/c No- 800902071	(i) Repayable in 37 EMIs of Rs. 1.37 Lacs ending in January 2028 (ii) Rate of interest - 9.43% p.a.	40.88	-	-
HDFC Bank Loan A/c No- 800902138	(i) Repayable in 37 EMIs of Rs. 1.37 Lacs ending in January 2028 (ii) Rate of interest - 9.43% p.a.	40.88	-	-
HDFC Bank Loan A/c No- 800902152	(i) Repayable in 37 EMIs of Rs. 1.37 Lacs ending in January 2028 (ii) Rate of interest - 9.43% p.a.	40.88	-	-
HDFC Bank Loan A/c No- 800902049	(i) Repayable in 37 EMIs of Rs. 1.37 Lacs ending in January 2028 (ii) Rate of interest - 9.43% p.a.	40.88	-	-
HDFC Bank Loan A/c No- 801271828	(i) Repayable in 37 EMIs of Rs. 2.03 Lacs ending in March 2028 (ii) Rate of interest - 8.91% p.a.	63.47	-	-
HDFC Bank Loan A/c No- 801273221	(i) Repayable in 37 EMIs of Rs. 0.88 Lacs ending in March 2028 (ii) Rate of interest - 9.51% p.a.	27.55	-	-
HDFC Bank Loan A/c No- 801271913	(i) Repayable in 37 EMIs of Rs. 2.03 Lacs ending in March 2028 (ii) Rate of interest - 8.92% p.a.	63.47	-	-
HDFC Bank Loan A/c No- 801204021	(i) Repayable in 37 EMIs of Rs. 1.13 Lacs ending in March 2028 (ii) Rate of interest - 9.51% p.a	35.16	-	-
HDFC Bank Loan A/c No- 160493820	(i) Repayable in 39 EMIs of Rs. 1.72 Lacs ending in June 2028 (ii) Rate of interest - 8.80% p.a.	58.14	-	-
HDFC Bank Loan A/c No- 85811006	(i)Repaid on 05.09.2023	-	-	12.92
HDFC Bank Loan A/c No- 86231979	(i)Repaid on 05.01.2024.	-	-	7.08
HDFC Bank Loan A/c No- 85864966	(i)Repaid on 10.09.2023.	-	-	9.75
HDFC Bank Loan A/c No- 85877482	(i)Repaid on 15.09.2023.	-	-	4.08
HDFC Bank Loan A/c No- 85877491	(i)Repaid on 15.09.2023.	-	-	4.08
HDFC Bank Loan A/c No- 85887600	(i)Repaid on 15.09.2023.	-	-	8.52
HDFC Bank Loan A/c No- 85955300	(i)Repaid on 10.10.2023.	-	-	5.11
HDFC Bank Loan A/c No- 86175476	(i)Repaid on 15.12.2023.	-	-	7.14
HDFC Bank Loan A/c No- 85843326	(i)Repaid on 05.09.2023	-	-	12.92

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

Lender	Description	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
HDFC Bank Loan A/c No- 85865009	(i)Repaid on 10.09.2023.	-	-	9.75
HDFC Bank Loan A/c No- 86231528	(i)Repaid on 05.01.2024.	-	-	7.08
HDFC Bank Loan A/c No- 86232013	(i)Repaid on 05.01.2024.	-	-	7.08
HDFC Bank Loan A/c No- 86231499	(i)Repaid on 05.01.2024.	-	-	7.08
HDFC Bank Loan	(i)Repaid on 15.12.2023.	-	-	7.14
Total vehicle loan		**916.83**	**869.63**	**216.83**
Less : Current portion of vehicle loan shown separately		346.71	311.99	145.93
Non current portion of vehicle loan		570.12	557.64	70.90

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

NOTE 19.3 Details of 4% Non-cumulative optionally convertible redeemable preference shares :
Preference shares are having the maximum redemption period of 20 years from the date of allotment. The preference shareholder has the option to convert the OCPS into equity shares at any time before the term of 20 years or get it redemeed at pre-determined prices. If this right is not exercised, the OCPS shall be mandatorily converted into equity shares after the term of 20 years at a conversion price as may be determined by an independent valuer.
OCPS will be converted into Equity Shares upon exercise of right by the shareholder or end of the term and is convertible into variable number of equity shares depending on the conversion price as may be determined by an independent valuer.

NOTE 19.4 Details of overdraft facility :
Overdraft facility has been availed from Indian Bank against the pledge of fixed deposit.

NOTE 19.5 Details of cash credit :
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

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

b) <u>Details of Security</u> :

First pari-passu hypothecatlon 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, Chhattisgarh 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, Chhattisgarh.

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

1) Parmanand Agarwal
2) Ashish Agarwal

NOTE 19.6 Details of Working capital demand loan:

a. **Working Capital Loan from HDFC Bank (Carrying value as at 31.03.25 : Rs. 2,394.60 Lacs; 31.03.24 : Rs. 2,400.00 Lacs; 01.04.23 : Rs. 598.88 Lacs)**
Primary Security: First Pari passu on entire current assets of the company. Second Pari passu on entire movable and immovable fixed asset of the company.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the company.
Present interest rate: 8.50%

b. **Working Capital Loan from Axis Bank (Carrying value as at 31.03.25 : Rs. 2,200.00 Lacs; 31.03.24 : Rs. 2,200.00 Lacs; 01.04.23 : Rs. 1,680.00 Lacs)**
Primary Security: First Pari passu charge by way of hypothecation on the entire current assets of the company both present and future.
Collateral Security: First Pari passu charge by way of equitable mortgage on the entire land and building, factory shed of the companyat Taraimal, P.O. Gerwani, district Raigarh.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the company.
Present interest rate: 8.60%

c. **Working Capital Loan from Indian Bank (Carrying value as at 31.03.25 : Rs. 6,000.00 Lacs; 31.03.24 : Rs. 6,000.00 Lacs; 01.04.23 : Rs. Nil)**

Primary Security: First Pari passu hypothecation charge on the entire current assets namely, stock of raw material, semi finished and finished goods, consumable stores and spare(not relating to plant and machinery), bills receivables and book debts and all other movables of the company both present and future.
Collateral Security: First Pari passu equitable mortgage charge on the entire land and building, factory shed of the company at village Taraimal, P.O. Gerewani, District Raigarh, Chhattisgarh.
Personal Guarantee: Mr. Parmanand Agarwal & Mr. Ashish Agarwal, directors of the company.
Present interest rate: 8.80%

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 20 LEASE LIABILITIES

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Non - Current			
Lease liabilities payable beyond 12 months	187.32	156.62	-
TOTAL (A)	**187.32**	**156.62**	**-**
Current			
Lease liabilities payable within 12 months	8.54	2.30	
TOTAL (B)	**8.54**	**2.30**	**-**
TOTAL [(A)+(B)]	**195.86**	**158.92**	**-**

NOTE 21 PROVISIONS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Non-Current			
Provision for gratuity	323.40	192.41	136.63
TOTAL (A)	**323.40**	**192.41**	**136.63**
Current			
Provision for			
- Gratuity	9.23	15.08	9.63
- Income tax (net of advance tax)	-	280.17	858.05
- Expense	744.14	232.27	133.78
TOTAL (B)	**753.37**	**527.52**	**1,001.46**
TOTAL [(A)+(B)]	**1,076.77**	**719.93**	**1,138.09**

NOTE 22 DEFERRED TAX LIABILITIES (NET)

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Deferred tax liability on			
Difference between tax base and book base of property, plant and equipment	3,991.98	4,417.85	5,421.23
Deferred tax asset on			
Provision for employee benefits	83.72	52.22	51.11
Financial instruments	240.69	240.01	305.08
Lease liabilities	49.29	40.00	-
Others	48.84	11.69	-
TOTAL	**3,569.44**	**4,073.93**	**5,065.04**

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 23 TRADE PAYABLES

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Total outstanding dues of micro and small enterprises	186.51	113.53	-
Total outstanding dues of creditors other than micro and small enterprises*	9,576.58	2,831.56	1,871.93
TOTAL	**9,763.09**	**2,945.09**	**1,871.93**

* includes acceptances under Letter of credit amounting to Rs. 7,511.45 Lacs (PY. Rs. : 2,029.89 Lacs)

Ageing schedule for Trade Payables as at 31.03.2025 :

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	186.51	-	-	-	**186.51**
(ii) Others	9,556.58	13.65	6.36	-	**9,576.58**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

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	2,825.20	6.36	-	-	**2,831.56**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

Ageing schedule for Trade Payables as at 01.04.2023 :

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1,866.39	5.53	-	-	**1,871.93**
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

Details regarding dues to Micro, Small & Medium Enterprises :

Sl No.	PARTICULARS	As at 31st March, 2025	As at 31st March, 2024
1	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
	Principal	186.51	113.53
	Interest	-	-
2	the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
3	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act;	-	-
4	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
5	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act;	-	-

NOTE 24 OTHER FINANCIAL LIABILITIES

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Payable for expenses	5,133.25	2,577.68	1,752.98
Payable for capital expenditure	375.57	195.08	481.54
Interest accrued on borrowings	369.32	278.79	159.75
TOTAL	**5,878.14**	**3,051.55**	**2,394.27**

NOTE 25 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Statutory dues	1,239.66	441.06	344.08
Advances from customers	745.69	64.66	269.86
TOTAL	**1,985.35**	**505.72**	**613.94**

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 26 REVENUE FROM OPERATIONS

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of iron & steel products		
Manufactured goods	2,18,392.96	1,49,337.57
Traded goods	2.57	46.81
Other operating revenues		
Scrap sales	270.85	15.49
Others	115.37	39.09
TOTAL	**2,18,781.75**	**1,49,438.96**

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers:

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Contract Assets - Trade Receivables	4,584.17	2,702.63
Contract Liabilities - Advance from customers	745.69	64.66

All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company does not have any remaining performance obligation for sale of goods which remains unsatisfied as at March 31, 2025 or March 31, 2024.

NOTE 27 OTHER INCOME

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest income on		
- Fixed deposits	316.83	101.01
- Loan given	-	16.69
- Security deposit	10.06	8.65
- Advance given	25.73	-
Rental income	1.86	1.85
Sundry balance written back	57.25	20.80
Reversal of allowance for expected credit loss	-	12.53
Miscellaneous income	32.06	24.21
Profit on sale of property, plant & equipment (net)	26.09	-
TOTAL	**469.88**	**185.74**

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

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Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 28 COST OF MATERIALS CONSUMED

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Raw Materials		
Opening Stock	16,408.18	10,824.46
Purchases	1,39,305.63	91,350.98
Transportation, Lifting & Other charges	21,626.60	16,464.28
Less: Closing Stock	15,372.53	16,408.18
Material Consumed-Indigenous	**1,61,967.88**	**1,02,231.54**
Material Consumed-Imported	-	-

NOTE 29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Work In Progress		
Opening Work-in-progress	302.66	329.37
Closing Work-in-progress	621.23	302.66
TOTAL (A)	**(318.57)**	**26.71**
Finished Goods/By Products		
Opening Stock		
Finished Goods	2,733.87	2,295.74
By Products	596.38	105.93
	3,330.25	**2,401.67**
Closing Stock		
Finished Goods	5,333.58	2,733.87
By Products	544.80	596.38
	5,878.38	**3,330.25**
TOTAL (B)	**(2,548.13)**	**(928.58)**
TOTAL (A)+(B)	**(2,866.70)**	**(901.87)**

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

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Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 30 EMPLOYEE BENEFIT EXPENSE

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Salary, bonus and other allowances	4,644.55	3,122.71
Director's remuneration	2,409.33	1,208.48
Gratuity expense	115.60	74.51
Contibution to provident & other funds	257.44	189.29
Staff welfare expenses	110.23	63.45
TOTAL	**7,537.15**	**4,658.44**

NOTE 31 FINANCE COSTS

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(Measured at amortised cost)		
Interest on		
Term loan	3,054.41	2,378.68
Working capital demand loan	920.45	712.68
Cash credit	392.53	534.81
Unsecured loan	170.65	167.04
Vehicle loan	70.88	43.35
Overdraft facility	2.75	4.11
Security deposit	9.63	14.65
Lease liabilities	4.28	0.81
Letter of credit	481.56	156.10
Other borrowing cost	148.33	294.37
TOTAL	**5,255.47**	**4,306.60**

NOTE 32 DEPRECIATION AND AMORTIZATION EXPENSE

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Depreciation on:		
Property, plant and equipment	7,447.43	6,132.89
Right-of-use asset	6.12	1.60
Amortization on intangible asset	2.51	4.58
TOTAL	**7,456.06**	**6,139.07**

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

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B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 33 OTHER EXPENSES

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Consumption of Stores & Spares (Refer Note No. 33.1)	8,608.02	7,203.77
Processing fees	2,643.53	2,179.78
Power and fuel	1,876.68	1,451.95
Freight outward	786.81	753.99
Labor charges	734.98	645.35
Commission on sales	399.28	230.76
Machinery hire charges	358.19	324.31
Forfeiture and non-lifting charges	596.48	378.18
Legal and professional fees	270.65	227.99
Advertisement & business promotion expense	125.46	45.83
Rates & Taxes	84.43	74.48
Rent expense	24.39	4.21
Repairs and maintenance on		
Plant & Equipment	438.39	382.01
Motor vehicles	283.49	69.80
Others	38.73	43.78
Security charges	318.34	184.09
Corporate social responsibility expenditure (Refer Note No. 33.2)	247.26	138.32
Travelling and conveyance	87.86	85.26
Miscellaneous expense	139.16	58.85
Insurance charges	93.62	49.41
Office expenses	56.19	54.29
Provision for doubtful advances	50.07	-
Allowance for expected credit loss	17.58	-
Sundry balances written off	110.75	188.65
Loss on fair valuation of financial liability	66.20	47.79
Environmental management expense	11.65	13.51
GST credit written off	1.74	51.77
Interest on late payment of statutory dues	1.31	0.65
Payments to auditor towards		
Statutory audit	7.00	7.00
Tax audit	2.50	2.50
Other services	1.23	0.08
Out of pocket expense	0.27	0.24
TOTAL	**18,482.20**	**14,898.61**

NOTE 33.1 DETAILS OF CONSUMPTION OF STORES & SPARES	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Opening Stock	802.14	848.37
Purchases	9,071.05	7,157.54
Less : Closing Stock	1,265.17	802.14
Material Consumed-Indigenous	**8,608.02**	**7,203.77**
Material Consumed-Imported	-	-

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES * Kolkata * Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

NOTE 33.2 CORPORATE SOCIAL RESPONSIBILITY ('CSR') AS PRESCRIBED UNDER SECTION 135 OF THE COMPANIES ACT, 2013 IS AS FOLLOWS:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(Excess) spent at the beginning of the year	(2.91)	(12.22)
Gross amount required to be spent by the Company during the year	237.96	147.22
Amount of expenditure incurred	247.26	137.91
Shortfall at the end of the year	-	-
(Excess) spent at the end of the year	(12.21)	(2.91)

Amount spent during the year on:

Particulars	Paid in Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	97.54 (56.55)	- (-)	97.54 (56.55)
(ii) On purposes other than (i) above	149.72 (81.36)	- (-)	149.72 (81.36)

Note :

a. Figures in the bracket relates to preceeding year.

b. Company has not acquired any asset out of CSR funds, hence the asset so created are not owned by the Company.

Nature of major CSR activities undertaken in terms of Schedule VII of the Companies Act, 2013 :

Description	Relevant clause
Ensuring Environmental sustainability & maintaining quality of soil, air & water	Clause (iv)
Promoting education, including special education and employment enhancing vocational training and livelihood enhancement	Clause (ii)
Promoting health care including preventive health care and sanitation	Clause (i)
Protection of art and culture	Clause (v)
Rural development projects	Clause (x)

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

NOTE 34 EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024
Issued number of equity shares	46,94,210	46,94,210
Potential number of equity shares	-	-
Weighted average shares outstanding	46,94,210	46,94,210

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Directo

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Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

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

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024
Profit after tax attributable to equity shareholders	15,843.02	14,394.73
Profit after tax for EPS	15,843.02	14,394.73
Basic Earnings per share (Rupee per share)	337.50	306.65
Diluted Earnings per share* (Rupee per share)	337.50	306.65

The number of shares used in computing EPS is the weighted average number of shares outstanding during the year.

* The conversion of 4% 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.

NOTE 35 IMPAIRMENT OF ASSETS

In accordance with the provisions of the Accounting Standard on Impairment of Assets Ind AS 36, 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.

NOTE 36 SEGMENT REPORTING

The directors have been identified as the Company's Chief Operating Decision Maker as defined by Ind AS 108 "Operating Segments". The Company is engaged in the manufacturing of iron and steel products which in context to Ind AS 108 is considered as the only business segment. The Company operates only in India, therefore, there is no geographical segment.

NOTE 37 Value of imports calculated on CIF basis : NIL (P.Y : NIL)

NOTE 38 CAPITAL COMMITMENTS

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances)	3,560.62	2,340.18

NOTE 39 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR):

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024
Demand (including penalty) under Central Excise Act, contested by the Company	10.16	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.

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 40 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 12 - INCOME TAXES

a. Numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate :

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Profit before tax (Accounting profit)	21,417.13	18,247.84
Applicable tax rate (as enacted by the relevant Finance Act)	25.168%	25.168%
Computed tax expense	5,390.26	4,592.61
Increase/(reduction) in the aforesaid computed tax expense on account of:		
Net expenses disallowed in Income Tax	64.74	76.88
Impact of property, plant and equipment	17.81	(896.05)
Others	101.30	79.67
Income tax expense	**5,574.11**	**3,853.11**

b. Movement in Deferred Tax Liabilities / (Assets):

PARTICULARS	Financial instruments at FVTPL / Amortised cost	Lease Liabilities	Defined Benefit Obligation	Property, Plant and Equipment	Others	Total
As at 1st April 2023	**(305.08)**	-	**(51.11)**	**5,421.23**	-	**5,065.04**
Charged / (credited)						
- to profit or loss	65.07	(40.00)	(3.93)	(967.56)	(11.69)	(958.11)
- to other comprehensive income	-	-	2.81	(35.82)	-	(33.01)
As at 31st March, 2024	**(240.01)**	**(40.00)**	**(52.22)**	**4,417.85**	**(11.69)**	**4,073.93**
Charged / (credited)						
- to profit or loss	(0.68)	(9.30)	(29.09)	312.92	(37.15)	236.70
- to other comprehensive income	-	-	(2.40)	(738.79)	-	(741.19)
As at 31st March, 2025	**(240.69)**	**(49.29)**	**(83.72)**	**3,991.98**	**(48.84)**	**3,569.44**

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

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

NOTE 41 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 19 - EMPLOYEE BENEFITS

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.

a.	**Present Value of Benefit Obligations changes over the valuation period**	**As at 31st March, 2025**	**As at 31st March, 2024**	**As at 1st April, 2023**
	Present Value of Benefit Obligation at the beginning of the year	207.49	146.26	106.95
	Current Service cost	100.66	63.83	37.12
	Interest expense	14.94	10.68	7.59
	Actuarial losses / (gains) arising from change in financial assumptions	20.67	1.79	1.04
	Actuarial losses / (gains) arising from experience adjustments	(11.13)	(15.07)	(6.44)
	Present Value of Benefit Obligation at the end of the year	**332.63**	**207.49**	**146.26**

b.	**Bifurcation of Present Value of Benefit Obligation**	**As at 31st March, 2025**	**As at 31st March, 2024**	**As at 1st April, 2023**
	Current - Amount due within twelve months	9.23	15.08	9.63
	Non-Current - Amount due after twelve months	323.40	192.41	136.63
		332.63	**207.49**	**146.26**

c.	**Sensitivity Analysis** **- Effects of Key Assumptions on Defined Benefit Obligations**	**As at 31st March, 2025**	**As at 31st March, 2024**	**As at 1st April, 2023**
	Discount Rate - 1% percent increase	295.86	187.53	132.40
	Discount Rate - 1% percent decrease	376.72	232.13	163.35
	Salary Escalation Rate - 1% percent increase	375.38	231.15	164.12
	Salary Escalation Rate - 1% percent decrease	296.17	187.17	131.53
	Withdrawl Rate - 1% percent increase	331.31	207.88	146.89
	Withdrawl Rate - 1% percent decrease	333.62	207.66	146.00
	Mortality Rate - 10% percent increase	332.81	207.77	146.45
	Mortality Rate - 10% percent decrease	332.45	207.21	146.06

d.	**Balance Sheet - Amount to be recognised**	**As at 31st March, 2025**	**As at 31st March, 2024**	**As at 1st April, 2023**
	Present Value of Benefit Obligation at the end of the year	332.63	207.49	146.26
	Fair Value of Plan Assets at the end of the year	-	-	-
	Net Liability / (Asset) recognised in Balance Sheet	**332.63**	**207.49**	**146.26**

e.	**Statement of Profit and Loss - Amount to be recognised**	**For the year ended 31st March, 2025**	**For the year ended 31st March, 2024**
	Current Service cost	100.66	63.83
	Net interest on net Defined Liability / (Asset)	14.94	10.68
	Expenses recognised in Statement of Profit and Loss	**115.60**	**74.51**

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

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

NOTE 41 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 19 - EMPLOYEE BENEFITS

f. Other Comprehensive Income - Amount to be recognised	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Actuarial Gains / (Losses) on Liability	(9.54)	13.28
Return on plan assets	-	-
	(9.54)	**13.28**

g. Summary of financial and demographic assumptions	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Discount rate	6.66%	7.20%	7.30%
Expected rate of return on plan assets	Nil	Nil	Nil
Rate of increase in salaries	6.00%	6.00%	6.00%
Mortality Table	IALM 2012-2014 Ultimate		

NOTE 42 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 24 - RELATED PARTY DISCLOSURES

A. Key management personnel

i. Parmanand Agarwal, Director
ii. Ashish Agarwal, Director
iii. Bijay Kumar Agarwal, Director

B. Relatives of Key management personnel

i. Richhi Agarwal
ii. Priti Agarwal

D. Entities over which Key Managerial Personnel and their relatives have control / significant influence

i. Parmanand Agarwal HUF
ii. Nachiketa Gift-Ads Pvt. Ltd.
iii. Florence Engineering Enterprises LLP
iv. Zortea Logistics LLP
v. B S Foundation

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

Associates
Kolkata
Chartered Accountants

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

NOTE 42 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 24 - RELATED PARTY DISCLOSURES (contd.)

Disclosure in respect of material related party transactions		**For the year ended**		**Balances receivable/payable as at**		
Name of related party	**Nature of transaction**	**31st March, 2025**	**31st March, 2024**	**31st March, 2025**	**31st March, 2024**	**1st April, 2023**
Key management personnel						
Ashish Agarwal	Remuneration	1,200.00	600.00			
	Loan taken	146.02	-			
	Loan repaid	-	230.00			
	Interest expense	5.04	14.31			
	Guest house rent	20.00	-			
	Sale of materials	0.13	-			
	Remuneration payable			200.31	-	130.83
	Loan payable			205.50	54.94	272.07
	Other receivable			-	3.11	-
Parmanand Agarwal	Remuneration	1,200.00	600.00			
	Loan taken	-	87.00			
	Loan repaid	13.36	-			
	Interest expense	161.57	143.77			
	Loan payable			1,907.53	1,775.48	1,559.09
	Remuneration payable			-	175.10	10.98
	Other payable			0.74	-	-
Bijay Kumar Agarwal	Remuneration	9.33	8.48			
	Remuneration payable			0.75	0.66	-
Relatives of Key management personnel						
Richhi Agarwal	Salary	120.00	60.00			
	Advance given	24.00	10.75			
	Advance received back	34.75	-			
	Salary payable			6.48	3.48	18.35
	Advance receivable			-	10.75	-
Priti Agarwal	Salary	12.00	51.00			
	Salary payable			0.95	-	6.04
Entities over which Key Managerial Personnel and their relatives have control / significant influence						
Nachiketa Gift-Ads Pvt. Ltd.	Loan given	-	150.00			
	Advance given	477.80	-			
	Loan received back	-	150.00			
	Interest income	25.73	16.69			
	Advance against pre-emptive rights			705.03	-	-
	Loan receivable			-	204.07	189.39
Parmanand Agarwal HUF	Loan repaid	4.27	86.33			
	Interest expense	-	4.75			
	Loan payable			-	4.27	86.33
Zortea Logistics LLP	Purchase of materials	1,190.80	-			
	EMD forfieted	100.00	-			
	Hire charges	267.30	206.05			
	CSR expense	-	12.10			
	Advance given	-	23.00			
	Advance receivable			2,123.75	54.66	3.29
Florence Engineering Enterprises LLP	Loan repaid	6.75	3.50			
	Interest expense	4.05	4.21			
	Loan payable	-	-	45.27	48.37	48.08
B S Foundation	CSR expenditure		0.85			

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 43 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 116 - LEASES

The company has lease contracts for land and distribution facility. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or operating lease. A lease was classified as a finance lease if it transferred substantially all the risks and rewards incidental to the ownership of the leased assets to the company in exchange for a consideration, otherwise it was classified as an operating lease. Finance lease was capitalized at the commencement of the lease on the inception date at lower of fair value of the leased property or at present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability.

In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in the Statement of Profit & Loss on a straight line basis over the lease term.
The Company has adopted Ind AS 116 - 'Leases', using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application i.e. 1st April, 2023.

Short Term leases and leases of low value assets :
The Company applies the short term lease recognition exemption on those leases that have a lease term of less than twelve months or less from the commencement date and do not contain a purchase option. It also applies to those leases of assets that are considered of low value. Such lease payments are recognized as an expense on a straight line basis over the lease term in the Statement of Profit and Loss.

Carrying amounts of the right of use assets and liabilities and movements thereon :

PARTICULARS	Right of Use Assets	Lease Liabilities
As at 1st April, 2023	-	-
Right of use asset recognised	237.24	-
Lease liabilities recognised	-	160.42
Amortisation expense	1.60	-
Finance cost	-	0.81
Payments made during the year	-	2.30
As at 31st March, 2024	**235.64**	**158.92**
Right of use asset recognised	44.67	-
Lease liabilities recognised	-	40.67
Amortisation expense	6.12	-
Finance cost	-	4.28
Payments made during the year	-	8.02
As at 31st March, 2025	**274.19**	**195.86**

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 43 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD 116 - LEASES

Amounts recognized in the Statement of Profit and Loss :

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Depreciation expense on right of use assets	6.12	1.60
Interest expenses on lease liabilities	4.28	0.81
Rent expenses of short term lease and leases of low value	24.39	4.21
Variable Lease Payments not included in measurement of lease liabilities	-	-
TOTAL	**34.79**	**6.62**

Lease liabilities :

PARTICULARS	As at 31st March, 2025	As at 31st March, 2024	As at 1st April, 2023
Minimum lease payments			
Within one year	8.54	2.30	-
After one year but not more than five years	34.18	9.22	-
More than five years	237.52	214.34	-
	280.24	**225.86**	-
Less: Future finance cost	84.38	66.94	-
TOTAL	**195.86**	**158.92**	-
Included in the financial statements as:			
Non-current lease obligations (Refer Note No. 20)	187.32	156.62	-
Current lease obligations (Refer Note No. 20)	8.54	2.30	-
	195.86	**158.92**	-

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. L.
Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 44 FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

The Company's principal financial liabilities comprise of borrowings, lease liabilities trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial assets include trade receivables, fixed deposits, loans and cash & bank balances that arise mostly from its operations. The Company is exposed to credit risk and liquidity risk and the Company's senior management oversees the management of these risks.

a. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities including loans and deposits placed with banks.

Trade receivables

Trade receivables are generally unsecured and non-interest bearing. There is no significant concentration of credit risk. The Company's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. The utilization of credit limit is regularly monitored by the board of directors. The Company's credit risk is mainly confined to the risk of customers defaulting against credit sales made. Outstanding trade receivables are regularly monitored by the Company. The Company has also taken advances from its customers,which mitigate the credit risk to an extent.

Credit risk is mitigated and managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. Credit terms is line with the industry standards.

(i) Expected Credit Loss Model

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Movements in allowance for credit losses of receivables is as below:

PARTICULARS	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Balance as at the beginning of the year	**0.16**	**12.69**
Charge in statement of profit and loss	17.58	(12.53)
Balance at the end of the year	**17.74**	**0.16**

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

Deposits with banks and other financial instruments

The Company considers factors such as track record, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company does not maintain significant cash balances other than those required for its day to day operations.

b. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital limits. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs and the excess funds are deposited with banks generating interest yield.

c. Interest rate risk

The exposure of Company's financial liabilities to interest rate risk is as follows:

Particulars	31st March, 2025	31st March, 2024
Variable rate borrowings	58,030.89	47,387.09
Fixed rate borrowings	4,202.93	3,814.30
Total borrowings	**62,233.83**	**51,201.40**

d. Interest rate sensitivity

The following paragraph demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2025 would decrease / increase by Rs. 178.82 Lacs (March 31, 2024 Rs. 132.20 Lacs). This is mainly attributable to interest rates on variable rate of long-term borrowings. The same has been calculated based on risk exposure outstanding as on balance sheet date. The year end balances are not necessarily representative of average debt outstanding during the year.

NOTE 45 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The funding requirement is met through equity, internal accruals, long term borrowings and short term borrowings.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

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Kolkata

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

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

NOTE 46 FAIR VALUE OF FINANCIAL ASSETS & FINANCIAL LIABILITIES

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

PARTICULARS	As at 31st March, 2025		As at 31st March, 2024		As at 1st April, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets at amortised cost						
Trade receivables	4,584.17	4,584.17	2,702.63	2,702.63	2,012.27	2,012.27
Cash and Cash equivalents	189.60	189.60	1,124.34	1,124.34	78.44	78.44
Bank balances other than cash and cash equivalents	249.25	249.25	-	-	-	-
Loans	-	-	204.07	204.07	189.39	189.39
Others	8,956.16	8,956.16	1,581.14	1,581.14	1,067.02	1,067.02
Financial Assets measured at fair value through profit or loss						
Investment in equity shares	0.55	0.55	0.55	0.55	0.55	0.55
Total Financial Assets	**13,979.73**	**13,979.73**	**5,612.73**	**5,612.73**	**3,347.67**	**3,347.67**
Financial Liabilities at amortised cost						
Trade payables	9,763.09	9,763.09	2,945.09	2,945.09	1,871.93	1,871.93
Borrowings	61,106.02	61,106.02	50,139.79	50,139.79	36,363.84	36,363.84
Lease liabilities	195.86	195.86	158.93	158.93	-	-
Others	5,878.14	5,878.14	3,051.55	3,051.55	2,394.27	2,394.27
Financial liabilities measured at fair value through profit or loss						
Optionally convertible preference shares, held as borrowings	1,127.81	1,127.81	1,061.61	1,061.61	1,013.82	1,013.82
Total Financial Liabilities	**78,070.92**	**78,070.92**	**57,356.97**	**57,356.97**	**41,643.86**	**41,643.86**

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 47 FAIR VALUE OF FINANCIAL ASSETS & FINANCIAL LIABILITIES

Fair valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value of cash and deposits, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair Value hierarchy

The following tables provide the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

a. Quoted prices in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.
b. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
c. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part, using a valuation model based on assumptions that are either supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

PARTICULARS	As at 31st March, 2025			As at 31st March, 2024			As at 1st April, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at fair value through profit and loss									
Investment in equity shares	-	-	0.55	-	-	0.55	-	-	0.55
Total Financial Assets	**-**	**-**	**0.55**	**-**	**-**	**0.55**	**-**	**-**	**0.55**
Financial liabilities at fair value through profit and loss									
4% Non-cumulative optionally convertible redeemable preference shares (OCPS)	-	-	1,127.81	-	-	1,061.61	-	-	1,013.82
Total Financial liabilities	**-**	**-**	**1,127.81**	**-**	**-**	**1,061.61**	**-**	**-**	**1,013.82**

During the year ended 31st March, 2025 and 31st March, 2024 there were no transfers between Level 1, 2 and 3 fair value measurements.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

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

NOTE 48 EFFECT OF TRANSITION TO IND AS

Ind AS 101: First-time Adoption of Indian Accounting Standards

Mandatory exceptions and Optional exemptions

The Company has prepared the opening balance sheet as per Ind AS as on 1st April, 2023 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, reclassifying items from the previously applicable Indian GAAP to Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and optional exemptions out of which the ones which are relevant for the Company are as detailed below:

Mandatory exceptions to the retrospective application of Ind AS

Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of the facts and circumstances existing as on the date of transition and the Company has complied accordingly.

As per Ind AS 101, for financial assets or financial liabilities classified as at amortised cost, if it is impracticable for the Company to apply retrospectively the effective interest method as mentioned in Ind AS 109, the fair value of the financial assets or financial liabilities at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or financial liability at the date of transition to Ind AS. For financial assets and financial liabilities classified as at amortised cost, measurement has been done retrospectively by the Company.

Deemed cost for Property, Plant and Equipment

The Company has elected to measure items of property, plant and equipment at its carrying value at the transition date as deemed cost, except for freehold land which has been recognised on revaluation model.

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Chartered Accountants

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

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

NOTE 49 EFFECT OF IND AS ADOPTION ON THE BALANCE SHEET DATE AS AT 31ST MARCH, 2024 AND 1ST APRIL, 2023

PARTICULARS	As at 31st March, 2024			As at 1st April, 2023		
	Regrouped Previous GAAP	Effect of transition to Ind AS	Ind AS Balance Sheet	Regrouped Previous GAAP	Effect of transition to Ind AS	Ind AS Balance Sheet
ASSETS						
NON CURRENT ASSETS						
Property, plant and equipment	52,615.52	8,534.21	61,149.73	35,642.52	8,610.55	44,253.07
Right of use asset	0.00	235.64	235.64	-	-	-
Capital work-in-progress	10,038.39	-	10,038.39	8,401.90	-	8,401.90
Intangible asset	13.55	-	13.55	6.48	-	6.48
Financial assets						
Investments	0.55	-	0.55	0.55	-	0.55
Loans	-	-	-	189.39	-	189.39
Other financial assets	556.28	(14.59)	541.68	306.73	-	306.73
Investment	40.10	-	40.10	32.66	-	32.66
Other non current assets	2,361.12	-	2,361.12	257.57	-	257.57
TOTAL NON CURRENT ASSETS (A)	**65,625.50**	**8,755.26**	**74,380.76**	**44,837.80**	**8,610.55**	**53,448.35**
CURRENT ASSETS						
Inventories	20,843.23	-	20,843.23	14,403.87	-	14,403.87
Financial Assets						
Trade Receivables	2,702.79	(0.16)	2,702.63	2,024.96	(12.69)	2,012.27
Cash and cash equivalents	1,124.34	-	1,124.34	78.44	-	78.44
Loans	204.07	-	204.07	-	-	-
Other financial assets	1,039.47	-	1,039.47	760.29	-	760.29
Other current assets	7,583.18	-	7,583.18	8,537.84	-	8,537.84
TOTAL CURRENT ASSETS (B)	**33,497.07**	**(0.16)**	**33,496.92**	**25,805.41**	**(12.69)**	**25,792.71**
TOTAL ASSETS (A+B)	**99,122.57**	**8,755.10**	**1,07,877.68**	**70,643.21**	**8,597.85**	**79,241.06**
EQUITY & LIABILITIES						
EQUITY						
Share Capital	537.11	(67.69)	469.42	537.11	(67.69)	469.42
Other Equity	38,757.08	5,994.63	44,751.72	24,181.69	6,129.02	30,310.71
TOTAL EQUITY (A)	**39,294.19**	**5,926.94**	**45,221.14**	**24,718.80**	**6,061.33**	**30,780.13**
LIABILITIES						
NON CURRENT LIABILITIES						
Financial Liabilities						
Borrowings	29,689.23	937.58	30,626.81	24,394.61	873.06	25,267.67
Lease liabilities	-	156.62	156.62	-	-	-
Provisions	192.41	-	192.41	136.63	-	136.63
Deferred tax liabilities (Net)	2,343.75	1,730.18	4,073.93	3,401.58	1,663.46	5,065.04
TOTAL NON CURRENT LIABILITES (B)	**32,225.39**	**2,824.38**	**35,049.77**	**27,932.82**	**2,536.52**	**30,469.34**
CURRENT LIABILITIES						
Financial Liabilities						
Borrowings	20,573.12	1.47	20,574.59	12,109.99	-	12,109.99
Lease liabilities	-	2.30	2.30	-	-	-
Trade payables	2,945.09	-	2,945.09	1,871.93	-	1,871.93
Other financial liabilities	3,051.55	-	3,051.55	2,394.27	-	2,394.27
Other current liabilities	505.72	-	505.72	613.94	-	613.94
Provisions	527.52	-	527.52	1,001.46	-	1,001.46
TOTAL CURRENT LIABILITES (C)	**27,602.99**	**3.78**	**27,606.77**	**17,991.58**	**-**	**17,991.59**
TOTAL EQUITY & LIABILITIES (A+B+C)	**99,122.57**	**8,755.10**	**1,07,877.68**	**70,643.21**	**8,597.85**	**79,241.06**

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 50 EFFECT OF IND AS ADOPTION ON THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

PARTICULARS	Regrouped Previous GAAP	Effect of transition to Ind AS	Ind AS Statement of Profit and Loss
Revenue from operations	1,49,438.96	-	1,49,438.96
Other income	173.15	12.59	185.74
TOTAL INCOME	**1,49,612.11**	**12.59**	**1,49,624.70**
EXPENSES			
Cost of materials consumed	1,02,231.54	-	1,02,231.54
Purchase of stock-in-trade	44.47	-	44.47
Changes in inventories of finished goods and work-in-progress	(901.87)	-	(901.87)
Employee benefits expense	4,645.17	13.28	4,658.44
Finance costs	4,272.94	33.67	4,306.60
Depreciation and amortization expense	6,137.95	1.11	6,139.07
Other expenses	14,853.13	45.48	14,898.61
TOTAL EXPENSES	**1,31,283.33**	**93.54**	**1,31,376.86**
PROFIT BEFORE TAX	**18,328.78**	**(80.95)**	**18,247.84**
TAX EXPENSE			
Current tax	4,731.55	-	4,731.55
Deferred tax	(1,057.83)	99.73	(958.11)
Income tax adjustment for earlier years	79.67	-	79.67
PROFIT FOR THE YEAR (A)	**14,575.39**	**(180.68)**	**14,394.73**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Remeasurement gains on defined benfit obligations	-	13.28	13.28
Income tax relating to items that will not be reclassified subsequently to profit or loss			
Remeasurement gains on defined benfit obligations	-	(2.81)	(2.81)
Fair valuation of an item of property, plant & equipment	-	35.82	35.82
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)	**-**	**46.29**	**46.29**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)	**14,575.39**	**(134.39)**	**14,441.02**

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 51 RECONCILIATION OF EQUITY BETWEEN THE PREVIOUSLY APPLICABLE INDIAN GAAP & IND AS

PARTICULARS	Refer Note No.	As at 31st March, 2024	As at 1st April, 2023
Equity as per the previously applicable Indian GAAP (Share Capital + Reserves and Surplus)		**39,294.19**	**24,718.80**
Add/(Less) : Adjustments under Ind AS :			
Restatement of property, plant and equipment	53.2	8,534.21	8,610.55
Recognition of right of use asset	53.2	235.65	-
Restatement of security deposit asset	53.3	(14.59)	-
Restatement of borrowings	53.1 & 53.4	(939.05)	(873.06)
Restatement of trade receivables	53.7	(0.16)	(12.69)
Recognition of lease liability	53.2	(158.93)	-
Deferred tax adjustment (net)	53.5	(1,730.18)	(1,663.46)
TOTAL EQUITY AS PER IND AS		**45,221.14**	**30,780.13**

NOTE 52 RECONCILIATION OF PROFIT / (LOSS) BETWEEN THE PREVIOUSLY APPLICABLE INDIAN GAAP & IND AS

PARTICULARS	Refer Note No.	For the year ended 31st March, 2024
Profit after tax as per the previously applicable Indian GAAP		**14,575.39**
Add/(Less) : Adjustments under Ind AS		
Finance income	53.3	0.06
Depreciation and amortisation expense	53.2	(1.11)
Finance cost	53.1 & 53.4	(33.67)
Employee benefit expenses	53.6	(13.28)
Loss on fair valuation of financial liability	53.1	(47.79)
Rent expense	53.2	2.30
Reversal of allowance for expected credit loss	53.7	12.53
Deferred tax adjustment (net)	53.5	(99.73)
Profit / (Loss) after tax but before Other Comprehensive Income, as per Ind AS		**14,394.73**
Remeasurement gains on defined benfit obligations	53.6	13.28
Income tax effect on items of Other comprehensive income	53.5	33.01
Other Comprehensive Income (net of tax)		**46.29**
TOTAL COMPREHENSIVE INCOME UNDER IND AS		**14,441.02**

For, B. S. Sponge Pvt. Ltd.

Director

ARSK & ASSOCIATES Kolkata Chartered Accountants

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 53 EXPLANATORY NOTES TO THE TRANSITION OF PREVIOUS GAAP TO IND AS

53.1 Financial instruments in form of Preference shares issued by the Company were carried at transaction value under the previous GAAP, however it has been revalued using fair valuation techniques prescribed under IND AS 109 "Financial instrument".

53.2 The Company has recognised Right of Use (ROU) asset as part of Non current assets and lease liability as part of Non current liabilities on assets taken on long term lease i.e, exceeding one year, owing to applicability of IND AS 116 "Leases". ROU asset is amortised and charged to the Statement of Profit and Loss over the period of lease term, whereas, lease liability is amortised together with accruing finance cost on it. Moreover, company has elected to measure freehold land at revaluation model.

53.3 Security deposits have been recognised as a financial asset on amortised cost method as part of other financial asset under Non current assets, owing to applicability of IND AS 109 "Financial instruments". Under amortised cost method, finance income is also accrued on security deposits.

53.4 Borrowings have been measured at amortised cost after treating impact of transaction charges from initial recognition of financial liability using Effective Interest rate method, owing to applicability of IND AS 109 "Financial instruments".

53.5 The previously applicable Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. IND AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

53.6 Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previously applicable Indian GAAP, these remeasurements were forming part of the profit or loss for the year.

53.7 Under the previously applicable Indian GAAP, the company has recognised provision on trade receivable based on the expectation of the company. Under Ind AS company provides loss allowance on receivable based on expected credit loss (ECL) model which is measured following the "simplified approach" based on the ageing of the receivables that are due and rates used in the provision matrix.

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

RSK & ASSOCIATES
Kolkata
Chartered Accountants

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

NOTE 54 ACCOUNTING RATIOS

Ratio	Numerator	Denominator	2024-25	2023-24	Variance	Reason for variance
Current Ratio (times)	Current assets	Current liabilities	1.22	1.21	0.27%	-
Debt - Equity Ratio (times)	Total debt	Equity	1.01	1.13	-11.05%	-
Debt Service coverage ratio (times)	Earnings available for debt service	Current debt service	4.12	4.16	-1.01%	-
Return on equity (in %)	Net profit	Average shareholder equity	29.61%	37.88%	-21.84%	-
Inventory Turnover Ratio (times)	Sales	Average inventory	9.94	8.48	17.30%	-
Trade receivables turnover ratio (times)	Sales	Average accounts receivables	60.02	63.37	-5.30%	-
Trade payables turnover ratio (times)	Purchases	Average trade payables	26.76	47.75	-43.97%	Due to increase in trade payables
Net capital turnover ratio (times)	Sales	Average of Current assets *less* current liabilities	30.95	21.82	41.81%	Due to increase in sales
Net profit ratio (in %)	Net profit	Sales	7.25%	9.64%	-24.80%	-
Return on capital employed (in %)	Earning before interest and taxes	Total equity, borrowings and lease liabilities	19.21%	21.24%	-9.53%	-
Return on investment (in %)	Income from investments	Average investment	Not Applicable			-

For, B. S. Sponge Pvt. Ltd.

Director

For, B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025
(All amounts are Rupees in Lacs, unless otherwise stated)

NOTE 55 RECONCILIATION OF QUATERLY BANK RETURNS FILED WITH INDIAN BANK :

Period	Particulars	Amount as per books	Amount as reported in the quaterly statements	Difference #
Quarter-I (30.06.2024)	Inventories (incl. advance given to supplier of raw material & stores)	32,426.23	30,222.78	2,203.45
	Trade Payables for raw materials & stores	7,418.75	4,504.71	2,914.04
	Trade Receivables	4,333.96	4,458.43	(124.47)
	Advance from customers	222.21	229.15	(6.94)
Quarter-II (30.09.2024)	Inventories (incl. advance given to supplier of raw material & stores)	26,654.33	22,568.67	4,085.66
	Trade Payables for raw materials & stores	4,800.76	2,797.64	2,003.12
	Trade Receivables	3,549.12	3,577.64	(28.52)
	Advance from customers	387.15	360.08	27.07
Quarter-III (31.12.2024)	Inventories (incl. advance given to supplier of raw material & stores)	27,520.69	25,097.99	2,422.70
	Trade Payables for raw materials & stores	2,167.67	1,628.98	538.69
	Trade Receivables	4,777.22	4,830.01	(52.79)
	Advance from customers	306.37	307.54	(1.18)
Quarter-IV (31.03.2025)	Inventories (incl. advance given to supplier of raw material & stores)	35,072.28	33,071.51	2,000.76
	Trade Payables for raw materials & stores	9,763.09	8,828.99	934.09
	Trade Receivables	4,584.17	4,621.17	(37.00)
	Advance from customers	745.69	735.83	9.86

Period	Particulars	Amount as per books ^	Amount as reported in the quaterly statements	Difference #
Quarter-I (30.06.2023)	Inventories (includes advance given to suppliers 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	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.

^ Figures pertaining to FY 2023-24 corresponds to the previous GAAP.

The bank returns were prepared and filed before the completion of all financial statement closure activities including adjustments / reclassification relating to relevant 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.

For B. S. Sponge Pvt. Ltd.

Director

For B. S. Sponge Pvt. Ltd.

Director

B.S. SPONGE PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended 31st March, 2025

NOTE 56 OTHER STATUTORY INFORMATION

a. No proceeds were initiated or pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988.

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 otherwise) 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 beneficiaries) 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 any bank or 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. There is no scheme of arrangements which has been approved by the Competant Authority in terms of Section 230 to 237 of the Companies Act, 2013, hence such disclosure is not applicable.

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 any intangible asset under development as at the balance sheet date.

l. Loans are given to following related parties which are repayable on demand :

Type of Borrower	Amount of loan or advance in the nature of of loan	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
	(-)	(-)
Directors	-	-
	(-)	(-)
KMP's	-	-
	(-)	(-)
Related parties	-	-
	(204.07)	(100.00%)

Figures in the bracket relates to preceeding year.

For B. S. Sponge Pvt. Ltd.
Director

SOCIATES
Kolkata
Chartered Accountants

For B. S. Sponge Pvt. Ltd.
Director

B.S. SPONGE PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended 31st March, 2025

NOTE 57 Preceeding year's figures have been regrouped/rearranged/recasted, wherever necessary.

NOTE 58 Figures are rounded off to the nearest rupee in lacs and decimals thereof.

As per our report of even date attached

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

For and on behalf of the board of directors

For, B. S. Sponge Pvt. Ltd.
Director

For, B. S. Sponge Pvt. Ltd.
Director

ARSK & ASSOCIATES
Kolkata
Chartered Accountants

CA, S. K. Kabra
Partner
Membership No. 052205

Parmanand Agarwal
Director
DIN - 00585415

Ashish Agarwal
Director
DIN - 01218609

Place : Kolkata
Date : 18th day of September, 2025

B. S. Sponge (P) Ltd.
CIN - U27102WB2000PTC091975
GST No. 22AACCB0433H1ZE

DIRECTOR'S REPORT

Dear Members,

Your directors have pleasure in presenting this 25th Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2025.

1. Financial Summary or performance of the company:

PARTICULARS	YEAR ENDED 31.03.2025	YEAR ENDED 31.03.2024
Revenue From Operations	21,87,81,75,689	14,94,38,96,338
Other Income	4,69,87,806	1,85,73,469
Total Income	**21,92,51,63,495**	**14,96,24,69,807**
Profit before Financial Expenses, Preliminary expenses, Depreciation and Taxation	3,41,28,65,889	2,86,93,50,127
Less: Financial expenses	52,55,46,705	43,06,60,706
Less: Depreciation & Preliminary expenses written off	74,56,05,597	61,39,06,130
Profit before Taxation	2,14,17,13,587	1,82,47,83,292
Less: Tax	55,74,10,505	38,53,11,968
Profit After Tax	1,58,43,03,082	1,43,94,71,323
Add: Other Comprehensive Income	7,31,64,708	46,28,371
Profit after Taxation & carried forward to Balance Sheet	**1,65,74,67,790**	**1,44,40,99,694**

2. Operations:

The Company has reported Total Income of ₹**21,92,51,63,495**/- for the current year as compared to ₹**14,96,24,69,807** /- in the previous year. The Net Profit for the year under review amounted to ₹1,65,74,67,790/-in the current year as compared to ₹1,44,40,99,694/-in the previous year.

3. Transfer to reserves:

The Company has transferred an amount of ₹1,65,74,67,790/- (Rupees One Hundred Sixty-Five Crore Seventy-Four Lakhs Sixty-Seven Thousand Seven Hundred Ninety Only) being the net profit of the Company for the financial year 2024-25 to reserves.

4. **Dividend:**

Your directors have not recommended any dividend for the financial year 2024-25.

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:

- Creation of Charge vide Charge ID: 101092491 by Hypothecation of CHARGE ON ONE NEW COMMERCIAL VEHICLE/EQUIPMENT - ESCORT F23 BS VI 23 TON PNC CRANE to secure an amount of Rs. 40,39,875.00/- (Rupees Forty lakh thirty-nine thousand eight hundred seventy-five) dated 30.04.2025 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: 100460030 dated 19.06.2025 by repayment of an amount Rs. 26,51,985.00/- (Rupees Twenty-six lakh fifty-one thousand nine hundred and eighty-five) availed from INDUSIND Bank Limited,2401 Gen Thimmayya Road, Contonment, Pune 411001 India;

- Satisfaction of Charge vide Charge ID: 100465193 dated 21.06.2025 by repayment of an amount Rs. 38,61,550.00/- (Rupees Thirty-eight lakh sixty-one thousand five hundred fifty) availed from INDUSIND Bank Limited,2401 Gen Thimmayya Road, Contonment, Pune 411001 India;

- The Company had earlier purchased 500 shares of Vimla Infrastructure at ₹110 per share and has now disinvested them at ₹250 per share on 27.06.2025.

- The Company has altered the object clause by adding new object clause in its Memorandum of Association during the period under review on 30th June, 2025, and has complied with the applicable provisions of the Companies Act, 2013. The Articles of Association remained unchanged during the period under review, and the Company has complied with the provisions of the Act.

- Change in designation of Mr. Bijay Kumar Agarwal (DIN: 03505035) from Non-Executive Director to Executive Director w.e.f 11th July, 2025;

- Creation of Charge vide Charge ID: 101139990 by Hypothecation of 3 NOS. NEW ASHOK LEYLAND NJ 3525 T8X4 BS VI TIPPER to secure an amount of Rs. 1,33,65,000.00/- (Rupees One crore thirty-three lakh sixty-five thousand) dated 08.08.2025 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: 101158350 by Hypothecation of ASHOKA LEYLAND D LS1510 R3 FULLY BUI 7UP A/C Bus to secure an amount of Rs. 36,00,000.00/- (Rupees Thirty-six lakh) dated 06.09.2025 availed from HDFC Bank Limited, HDFC Bank House Senapati Bapat Marg Lower Parel, Delisle Road, Mumbai, Maharashtra, India, 400013;

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

6. Share Capital:

During the financial year 2024-2025, 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, 2025, B.S. Sponge Private Limited (BSSPL) neither has Subsidiary Company nor any Joint Venture, however Company BSSPL itself is associate to the Nachiketa Gift Ads 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 2024-25 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 2024-25.

12. Number of meetings of the Board:

During the year 2024-25, the Board of Directors met 25 times viz as annexed herewith as **Annexure-I.** 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, 2025. There were no unclaimed or unpaid deposits as on 31st March, 2025, however closing balance of unsecured loan from related party is Rs. 21,58,29,725.00/- (Rupees Twenty-one crore fifty-eight lakh twenty-nine thousand seven hundred twenty-five 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-II**.

<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 2024-25, the Company was obligated to allocate Rs. 23,796,043.00/- (Rupees Two crore thirty-seven lakh ninety-six thousand forty-three only) for CSR Expenditure. Rs. 2,90,849.00/- (Rupees Two lakh ninety thousand eight hundred forty-nine only) was available for setoff in current financial year.

The Company spent Rs. 2,47,25,817.00/- (Rupees Two crore forty-seven lakh twenty-five thousand eight hundred seventeen only), resulting in an excess of Rs. 12,20,623.00/- (Rupees Twelve lakh twenty thousand six hundred twenty-three 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 financial year 2024–25, the Company has not granted any loans, given any guarantees, or made any investments covered under Section 186 of the Companies Act, 2013. However, the Company has provided an advance against pre-emptive rights to Nachiketa Gift Ads Private Limited amounting to Rs. 7,05,03,260.00

19. Particulars of Employees:

During the F.Y. 2024-25, Three 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 -III**

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 31st March, 2025, 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 31st March, 2025 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. Adoption Of Indian Accounting Standards (Ind AS):

The Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, for the first time during the financial year 2024-25. Accordingly, the financial statements for the year have been prepared in compliance with Ind AS. The transition has been carried out in accordance with Ind AS 101, ***First-time*** *Adoption of Indian Accounting Standards*. The previous period figures have been restated, wherever applicable, to comply with the requirements of Ind AS.

22. 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	Nature of contracts/arrangeme	Duration of the contracts / arrange	Salient terms of the contracts or	Justification for entering into such contracts /	Date(s) of approval by the	Amount paid as advanc	Date of passing of Speci

relationship	nt/transactions	ments/transactions	arrangements or transactions including the value, if any:	arrangements / transactions	Board, if any:	es, if any:	al Resolution u/s 188 (1)(h)
Ashish Agarwal	Lease Rental paid	4 Months	Lease Rental paid to Director for Land taken on Lease to Company on arm's length basis.	Lease Rental paid to Director for Guest house taken on Lease by Company on arm's length basis.	01.08.2024	NIL	N.A.
Ashish Agarwal	Sale of TMT Prime to Director	1 Time	Sale of TMT Prime to Director by Company on arm's length basis.	Sale of TMT Prime to Director by Company on arm's length basis.	N.A.	NIL	N.A.
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.	01.04.2024	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.	N.A.	NIL	N.A.
Zortea Logistics LLP	Vehicle & Machinery Hire	12 Months	Amount Paid for services rendered to the	Amount Paid for services rendered to the Company on	01.08.2024	NIL	N.A.

	Charges		Company on arm's length basis.	arm's length basis.			
Zortea Logistics LLP	Purchase of Raw Material	12 Months	Amount Paid for raw Material purchase by the Company on arm's length basis.	Amount Paid for raw Material purchase by the Company on arm's length basis.	01.08.2024	NIL	N.A.

For and on behalf of the Board of Directors

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

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 its cost records audited by a Cost Accountant in practice. Accordingly, the Board of Directors has approved the appointment of M/s Arunava Dutta Chaudhary & Co., Cost Accountants, Kolkata, as the Cost Auditors of the Company for the financial year 2024-25, ending on 31st March, 2025.

Further, as part of the Company's regular review and rotation policy, a new Cost Auditor has been appointed for the subsequent financial year. The Company has appointed M/s SN & Co., Cost Accountants, Raipur (C.G.), to audit the cost records for the financial year 2025–26 (01.04.2025 to 31.03.2026) via board resolution dated 17.07.2025.

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 2024-25 and is enclosed with this report as **Annexure - IV**.

During the period under review, the Company has appointed M/s **SG Kankani & Associates**, **Company Secretaries,** (PR No.: 1396/2024), as the Secretarial auditor of the Company for the Financial year 2025-26 vide Board Resolution dated 17.07.2025.

The Secretarial Auditor's report for the financial year 2024-25 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 2024-25.

Further no proceedings are pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2024-25.

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. Compliance of Secretarial Standard:

The Company has duly complied with the provisions of Secretarial Standards issued by the **Institute of Company Secretaries of India**.

31. Maternity Benefit:

The Company affirms that it has duly complied with all provisions of the Maternity Benefit Act, 1961, and has extended all statutory benefits to eligible women employees during the year.

32. Designated Person:

Mr. **Ashish Agarwal** (DIN: 01218609), Director of the Company is designated person for furnishing, and extending co-operation for providing information to the Registrar or any other person with respect to the beneficial interest in shares of the Company pursuant to rule- 9, sub rule (5) of Companies (Management & Administration) Rules, 2014.

33. 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

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
Dated: 18.09.2025

Annexure - I

BOARD MEETINGS

Number of meetings held during the Year 2024-25: 25

S. No.	Date of meeting	Total Number of directors associated as on the date of meeting	Attendance	
			Number of directors attended	% of attendance
1	01.04.2024	3	3	100
2	22.04.2024	3	2	66.67
3	14.06.2024	3	2	66.67
4	19.06.2024	3	2	66.67
5	20.06.2024	3	2	66.67
6	27.06.2024	3	2	66.67
7	16.07.2024	3	3	100
8	01.08.2024	3	3	100
9	21.08.2024	3	2	66.67
10	23.09.2024	3	2	66.67
11	25.09.2024	3	2	66.67
12	06.10.2024	3	2	66.67
13	06.11.2024	3	2	66.67
14	08.11.2024	3	2	66.67
15	19.11.2024	3	2	66.67
16	22.11.2024	3	2	66.67
17	25.11.2024	3	2	66.67
18	17.12.2024	3	2	66.67
19	30.12.2024	3	2	66.67
20	16.01.2025	3	2	66.67
21	27.01.2025	3	2	66.67

22	03.02.2025	3	3	100
23	28.02.2025	3	3	100
24	01.03.2025	3	2	66.67
25	15.03.2025	3	3	100

For, B.S. Sponge Private Limited

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

Annexure-II

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

For B. S. Sponge Pvt. Ltd.

Director

For B. S. Sponge Pvt. Ltd.

Director

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)**
2021-22	Rs. 59,24,90,098.00/-/-
2022-23	Rs. 1,13,02,06,236.00/-
2023-24	Rs. 1,84,67,10,146.00/-
TOTAL	**Rs. 3,56,94,06,480.00/-**
Average net profit/loss of last 3 financial years	Rs. 1,18,98,02,160.00/-

Amount of CSR Expenditure to be spent in the F.Y. 2024-25:

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. 1,18,98,02,160.00/-
	2% of Average Net Profit	Rs. 2,37,96,043.00/-
2	Surplus arising out of the CSR projects or programmes or activities of the previous financial	Nil

	years	
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. 2,37,96,043.00/-

6. ***Details of CSR Expenditure spent in the F.Y. 2024-25:***

   a. ***Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs.*** 2,47,25,817.00/-

   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):** 2,47,25,817.00/-

   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. 2,47,25,817.00/-	-	-	-	-	-

   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)	2,37,96,043.00/-
2.	Total amount spent for the Financial Year	2,47,25,817.00/-
3.	Excess amount spent for the	Nil

	financial year [2-1]	
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	2,90,849.00.00/-
5.	Amount available for set off in succeeding financial years [3-4]	12,20,623.00/-

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

S. No.	Preceding 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
					Amount (in Rs.)	Date of Transfer		
1	2021-22	-	-	-	-	-	-	-
2	2022-23	-	-	-	-	-	-	-
3	2023-24							
TOTAL		-	-	-	-	-	-	-

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

- ○ **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

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
Date: 18th September, 2025

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 operates. 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.
- 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.	For B. S. Sponge Pvt. Ltd.
Director	Director
Ashish Agarwal	**Parmanand Agarwal**
Director	Director
DIN: 01218609	DIN: 00585415
Address: House No-122 Las Vista, Amlidih, Raipur 492001 Chhattisgarh	Address: F-2B, 11 B.P. Road, Ballygunge, Kolkata 700019 West Bengal

Place: Kolkata
Date: 18th September, 2025

Annexure-III:

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. 12,00,00,000/- for the FY 2024-25
Nature of Employment	Mr. Parmanand Agarwal is paid remuneration as Director on the Board of the Company
Qualification & Experience	Qualification: Graduation Degree Experience: 51 years of experience in the Iron & Steel industry.
Date of Commencement of employment	12/06/2000
Age	79 Years
Last employment held	NA
Percentage of equity held in the Company	1088400 equity shares in the Company as on 31st March, 2025 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

For B. S. Sponge Pvt. Ltd.

Director

2.

Name	Ashish Agarwal
Designation	Director
Remuneration	Remuneration: Rs. 12,00,00,000.00/- for the FY 2024-25
Nature of Employment	Mr. Ashish Agarwal is paid remuneration as Director on the Board of the Company
Qualification & Experience	Qualification: Post Graduation Degree Experience: 21 years of experience in the Iron & Steel industry.
Date of Commencement of employment	09/02/2004
Age	43 Years
Last employment held	NA
Percentage of equity held in the Company	1681200 equity shares in the Company as on 31st March, 2025 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.

3.

Name	Richhi Agarwal
Designation	VP Human Resource
Remuneration	Rs. 1,20,00,000.00/- for the FY 2024-25
Nature of Employment	Mrs. Richhi Agarwal is paid remuneration as VP Human Resource of the Company
Qualification & Experience	Graduation Degree (B.B.A) 13 years of experience in the Human Resource field.
Date of Commencement of employment	17/12/2012
Age / Sex	40 Years / Female
Last employment held	NA
Percentage of equity held in the Company	NA
Whether the employee is relative of existing Director of the Company	Yes, Richhi Agarwal is relative to the Board of Directors of the Company.

For B. S. Sponge Pvt. Ltd.

For B. S. Sponge Pvt. Ltd.

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, 2025

[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, 2025** 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, 2025 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

MUKHERJEE ★ COMPANY SECRETARY KOLKATA

DEBASISH MUKHERJEE

ADD = 49 REGENT COLONY KOLKTA-700040

PRACTICING COMPANY SECRETARY

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

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) .

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 are captured and recorded as part of the minutes.

D. MUKHERJEE
KOLKATA

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: **07/10/2025**

D. MUKHERJEE KOLKATA COMPANY SECRETARY

D.Mukherjee
Debasish Mukherjee
Practicing Company Secretary
C.P.No.5323
***UDIN NO-* A009680G001469424**

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: 07/10/2025

D. MUKHERJEE COMPANY SECRETARY KOLKATA

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

***UDIN NO-* A009680G001469424**