

# **MSP SPONGE IRON LIMITED**

South City Business Park, 10th Floor, 770 Anandapur Road,

E.M. Bypass, Kolkata 700107

Ph.No-033 4005 7777, Fax.No-033 4005 7700

REGN NO.: U27102WB1999PLC114830

## **CONSOLIDATED ANNUAL REPORT**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025**

### **AUDITORS**

#### **V. SINGHI & ASSOCIATES.**

CHARTERED ACCOUNTANTS

Four Mangoe Lane, Surendra Mohan Gosh Sarani,

Ground Floor, Kolkata-700001

Phone: +91 33 2210 1125/26, Email: [kolkata@vsinghi.com](mailto:kolkata@vsinghi.com)

**MSP SPONGE IRON LIMITED**

*Vaishali Jaiswal*

Company Secretary



**V. SINGHI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT**

**TO**

**THE MEMBERS OF MSP SPONGE IRON LIMITED**

**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the accompanying Consolidated Financial Statements of **MSP SPONGE IRON LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statement including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors issued on separate financial statements and on the other financial information of the subsidiaries referred to in the "Other Matter" of this report, the aforesaid Consolidated 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 specified under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2025, of consolidated total comprehensive income (comprising of loss and other comprehensive loss, wherever applicable), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

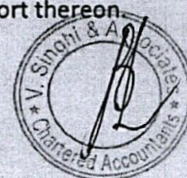
We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("the SAs") specified under section 143(10) of The Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

**Information Other than the Consolidated Financial Statements and Auditors' Report thereon:**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance, Shareholders information and other information incorporated in the Integrated Annual report but does not include the Consolidated Financial Statements and our Auditors' Report thereon.

**MSP SPONGE IRON LIMITED**

*Vasudha Agarwal*  
Company Secretary





Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of Auditors' report, 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.

When we read the other information, which we will obtain after the date of Auditors' Report and if we conclude that, there is material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, consolidated Cash Flows and consolidated changes in equity of the group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015. The respective Board Of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group'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 alternatives but to do so.

The respective Board of Directors of the companies included in the group are also responsible for overseeing the company's financial reporting process.

#### **Auditors' Responsibility for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to



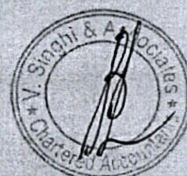


issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated 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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

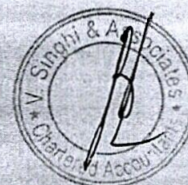
#### **Other Matters**

We did not audit the financial statements and other financial information in respect of the Subsidiary, 'Indoves Industrial Private limited' included in the consolidated financial statements, whose financial statements and other financial information reflects Total assets of Rs.7652.44 Lakhs as at 31<sup>st</sup> March,2025, total revenue of Rs.24,800.03 Lakhs, Total Profit after tax of Rs.56.51 Lakhs, Total comprehensive income (comprising of net profit after tax and other comprehensive income) of Rs.56.51 Lakh and net cash flows amounting to Rs.201.30 Lakhs for the year ended on that date, as considered in the consolidated financial statement. These financial statements & other financial information have been audited by other auditor, which financials statements and other financial information and audit reports have been furnished to us by the Management of the parent company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associate, and our report in terms of sub-section (3) of section 143 of the Act, is based solely on the report of the other auditor.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/ financial information certified by the management.

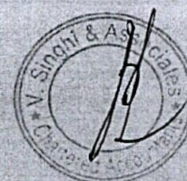
#### **Report on Other Legal and Regulatory Requirements**

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, and on the basis of our examination of the books and records of the Company carried out in accordance with the Generally Accepted Auditing Practices in India and according to the information and explanations given to us, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of reports of other auditors on the financial Statements and other information of subsidiaries, as referred to in "Other Matter" Paragraph here in above (to the extent applicable) 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 of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the holding Company so far as it appears from our examination of those books and the reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of changes in equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financials Statement.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.
- (e) On the basis of the written representations received from the directors as on 1st April, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and the operating effectiveness of such controls, as required under Section 143 (3)(i) of the Act, refer to our separate report in "Annexure B".
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, the Company has complied with the provisions of Section 197 read with Schedule V to the Act, relating to managerial remuneration.
- (h) With respect to the other matters to be included in the Auditors' 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 Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements –Refer Note No.38 to the Consolidated Financial Statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group;
  - iv. (a) The respective Management of the company and its subsidiaries has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any other person or entity, including foreign entity ("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 respective Management of the company and its subsidiaries has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Holding company has not declared any dividend the year, so reporting under the clause for the compliance with section 123 of the companies Act, is not applicable.
- vi. Based on our examination, which included test checks and that performed by the respective auditor of the subsidiary and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, except for the instances mentioned below, the Company and its subsidiaries has used accounting software for maintaining its books of account for the financial year ended March 31, 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. Further, during the course of our audit we and respective auditor of the subsidiary did not come across any instance of the audit trail feature being tampered with and audit trail has been preserved by the respective companies as per the statutory requirement for record retention.

For V.SINGHI & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 311017E



(Vinod Kumar Singhi)  
Partner

Membership No.- 050051

UDIN: 25050051B7J0RH7003

Place: Kolkata

Date: 27<sup>th</sup> August, 2025

MSP SPONGE IRON LIMITED

Vasudha Agarwal  
Company Secretary



**Annexure A to the Independent Auditors' Report**

Referred to in Paragraph-1 on Other Legal and Regulatory Requirements of our Report of even date to the members of MSP Sponge Iron Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2025.

Referred to in paragraph-1 on other Legal and Regulatory Requirements of our Report of even date to the members of MSP Sponge Iron Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2025:

To the best of our information and according to the explanations provided to us by the Company and as per the books of account and records examined by us in the normal course of audit, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) report of the companies included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For V.SINGHI & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 311017E



(Vinod Kumar Singhi)  
Partner

Membership No.-050051

UDIN: 25050051877J0R47003

Place: Kolkata

Date: 27<sup>th</sup> August, 2025

MSP SPONGE IRON LIMITED  
Vaishali Agarwal  
Company Secretary



## **Annexure B to the Independent Auditors' Report**

The Annexure B referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements paragraph of our report of even date to the members of MSP Sponge Iron Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2025.

**Report on the Internal Financial Control over Financial Reporting under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("The Act") as per the year ended 31<sup>st</sup> March, 2025.**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended on 31<sup>st</sup> March, 2025, we have audited the internal financial controls over financial reporting of MSP Sponge Iron Limited ("the holding Company") and its subsidiary company as of 31<sup>st</sup> March 2025.

### **Management's and Board of Directors Responsibility for Internal Financial Controls**

The Respective management of the holding company and its subsidiaries is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

**MSP SPONGE IRON LIMITED**

*Varsha Gawal*  
Company Secretary





### 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 Consolidated 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 Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated Financial Statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Holding Company and its subsidiary have, 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 31<sup>st</sup> 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.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

Place: Kolkata  
Date: 27<sup>th</sup> August, 2025



For V.SINGHI & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 311017E

(Vinod Kumar Singhi)  
Partner

Membership No.-050051

UDIN: 260500518710RH7003

MSP SPONGE IRON LIMITED

Vandana Dhanwal  
Company Secretary



**MSP SPONGE IRON LIMITED**

CIN:U27102WB1999PLC114830

Consolidated Balance Sheet as at 31st March 2025

(₹ in lakhs)

| Particulars                                                                    | Note  | As at<br>31st March 2025 | As at<br>31st March 2024 |
|--------------------------------------------------------------------------------|-------|--------------------------|--------------------------|
| <b>ASSETS</b>                                                                  |       |                          |                          |
| <b>(1) Non-Current Assets</b>                                                  |       |                          |                          |
| (a) Property, Plant and Equipment                                              | 3(A)  | 32,294.65                | 32,510.29                |
| (b) Capital Work-in-Progress                                                   | 3(C)  | 12,886.59                | 9,462.10                 |
| (c) Intangible Asset                                                           | 3(B)  | 12.96                    | 21.53                    |
| (d) Financial Assets                                                           |       |                          |                          |
| (i) Investments                                                                | 4(A)  | 9,742.05                 | 11,552.21                |
| (ii) Other Financial Assets                                                    | 12(A) | 1,202.05                 | 1,263.12                 |
| (e) Other Non-Current Assets                                                   | 7     | 329.35                   | 789.84                   |
| (f) Goodwill                                                                   | 39    | 122.34                   | 122.34                   |
| <b>Total Non-Current Assets</b>                                                |       | <b>56,590.00</b>         | <b>55,721.43</b>         |
| <b>(2) Current Assets</b>                                                      |       |                          |                          |
| (a) Inventories                                                                | 8     | 9,037.60                 | 11,726.68                |
| (b) Financial Assets                                                           |       |                          |                          |
| (i) Investments                                                                | 4(B)  | 1,260.89                 | 1,239.92                 |
| (ii) Trade Receivables                                                         | 9     | 4,782.42                 | 5,052.06                 |
| (iii) Cash and Cash Equivalents                                                | 10    | 623.52                   | 735.53                   |
| (iv) Bank balances other than (iii) above                                      | 11    | 660.54                   | 1,557.97                 |
| (v) Loans                                                                      | 5     | 12,473.91                | 9,550.56                 |
| (vi) Other Financial Assets                                                    | 12(B) | 593.12                   | 727.57                   |
| (c) Current Tax Assets (Net)                                                   | 14    | 41.59                    | -                        |
| (d) Other Current Assets                                                       | 13    | 3,137.75                 | 4,638.16                 |
| <b>Total Current Assets</b>                                                    |       | <b>32,611.35</b>         | <b>35,228.45</b>         |
| <b>TOTAL ASSETS</b>                                                            |       | <b>89,201.35</b>         | <b>90,949.88</b>         |
| <b>EQUITY AND LIABILITIES</b>                                                  |       |                          |                          |
| <b>Equity</b>                                                                  |       |                          |                          |
| (a) Equity Share Capital                                                       | 15    | 3,323.00                 | 3,323.00                 |
| (b) Other Equity                                                               | 16    | 71,031.43                | 72,521.48                |
| (c) Non-Controlling Interest                                                   | 16    | 1,261.99                 | 1,246.96                 |
| <b>Total Equity</b>                                                            |       | <b>75,616.42</b>         | <b>77,091.43</b>         |
| <b>Liabilities</b>                                                             |       |                          |                          |
| <b>(1) Non-Current Liabilities</b>                                             |       |                          |                          |
| (a) Financial Liabilities                                                      |       |                          |                          |
| (i) Borrowings                                                                 | 17    | -                        | -                        |
| (ii) Lease Liabilities                                                         | 43    | 8.80                     | -                        |
| (b) Provisions                                                                 | 18(B) | 175.85                   | 129.48                   |
| (c) Deferred Tax Liabilities (net)                                             | 6     | 4,756.62                 | 5,005.21                 |
| <b>Total Non-Current Liabilities</b>                                           |       | <b>4,941.27</b>          | <b>5,134.69</b>          |
| <b>(2) Current Liabilities</b>                                                 |       |                          |                          |
| (a) Financial Liabilities                                                      |       |                          |                          |
| (i) Borrowings                                                                 | 17    | 3,211.06                 | 1,061.02                 |
| (ii) Lease Liabilities                                                         | 43    | 2.69                     | -                        |
| (iii) Trade Payables                                                           |       |                          |                          |
| (a) Total outstanding dues of micro and small enterprises                      | 19    | 246.56                   | 238.43                   |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 19    | 2,036.51                 | 3,276.18                 |
| (iv) Other Financial Liabilities                                               | 20    | 2,348.05                 | 2,389.79                 |
| (b) Other Current Liabilities                                                  | 21    | 740.89                   | 1,640.18                 |
| (c) Provisions                                                                 | 18(A) | 57.89                    | 43.44                    |
| (d) Current Tax Liabilities (Net)                                              | 22    | -                        | 74.72                    |
| <b>Total Current Liabilities</b>                                               |       | <b>8,643.66</b>          | <b>8,723.76</b>          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                            |       | <b>89,201.35</b>         | <b>90,949.88</b>         |

**Material Accounting Policies**

See accompanying notes to the Financial Statements

As per our report of even date attached

1 to 46

For V. SINGHI &amp; ASSOCIATES

Chartered Accountants

Firm Registration No.: 311017E

CA VINOD KUMAR SINGHI

Partner

Membership No: 050051

Date: 27th August, 2025

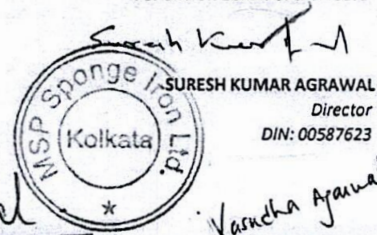
Place: Kolkata



*M. Agarwal*  
**MANISH AGRAWAL**  
 Managing Director  
 DIN: 00129240

*S. Agarwal*  
**SUBHASH AGARWAL**  
 (Chief Financial Officer)

For and on behalf of the Board



*Suresh Kumar Agrawal*  
**SURESH KUMAR AGRAWAL**  
 Director  
 DIN: 00587623

*Vasudha Agarwal*  
**VASUDHA AGARWAL**  
 (Company Secretary)

**MSP SPONGE IRON LIMITED**

*Vasudha Agarwal*  
 Company Secretary



**MSP SPONGE IRON LIMITED**

CIN:U27102WB1999PLC114830

Consolidated Profit and Loss Statement for the year ended 31st March 2025

(₹ in lakhs)

| Particulars                                                                          | Note | Year ended<br>31st March 2025 | Year ended<br>31st March 2024 |
|--------------------------------------------------------------------------------------|------|-------------------------------|-------------------------------|
| I Revenue from operations                                                            | 23   | 1,20,716.49                   | 1,21,327.15                   |
| II Other Income                                                                      | 24   | 2,065.68                      | 1,972.17                      |
| III Total Income (I + II)                                                            |      | 1,22,782.17                   | 1,23,299.32                   |
| IV Expenses                                                                          |      |                               |                               |
| Cost of Materials Consumed                                                           | 25   | 93,676.72                     | 97,360.39                     |
| Purchases of Stock-in-Trade                                                          |      | 13.90                         | -                             |
| Changes in inventories of finished goods, Stock-in-Trade and work in-progress        | 26   | 3,696.38                      | (467.16)                      |
| Employee Benefits Expense                                                            | 27   | 3,748.05                      | 3,504.90                      |
| Finance Costs                                                                        | 28   | 252.52                        | 134.07                        |
| Depreciation and Amortisation Expense                                                | 29   | 1,959.36                      | 2,019.85                      |
| Other Expenses                                                                       | 30   | 19,101.03                     | 19,292.17                     |
| Total Expenses (IV)                                                                  |      | 1,22,447.96                   | 1,21,844.22                   |
| V Profit before exceptional items and tax (III-IV)                                   |      | 334.21                        | 1,455.10                      |
| Share of Profit/Loss of Associates (Net of Tax)                                      |      | (8.32)                        | (8.71)                        |
| Exceptional Items                                                                    |      | -                             | -                             |
| VII Profit/ (loss) before tax                                                        |      | 325.89                        | 1,446.39                      |
| VIII Tax expense:                                                                    | 31   |                               |                               |
| (1) Current tax relating to:                                                         |      |                               |                               |
| (i) Current year                                                                     |      | 210.55                        | 315.54                        |
| (ii) Earlier year                                                                    |      | (14.64)                       | 3.32                          |
| (2) Deferred tax                                                                     |      | 1.64                          | (341.67)                      |
|                                                                                      |      | 197.55                        | (22.80)                       |
| IX Profit / (loss) for the year (VII-VIII)                                           |      | 128.34                        | 1,469.19                      |
| Other comprehensive income (net of tax)                                              |      |                               |                               |
| A. (i) Items that will not be reclassified to profit or loss                         |      |                               |                               |
| (a) Remeasurements of defined benefit liability/ (asset)                             |      | (51.75)                       | 24.19                         |
| (b) Equity instruments through other comprehensive income                            |      | (1,824.68)                    | 6,316.67                      |
| (ii) Income taxes relating to items that will not be reclassified to profit or loss  |      | 250.24                        | (785.67)                      |
| Net other comprehensive income not to be reclassified subsequently to profit or loss |      | (1,626.20)                    | 5,555.18                      |
| B. Items that will be reclassified to profit or loss                                 |      | -                             | -                             |
| Net other comprehensive income to be reclassified subsequently to profit or loss     |      | -                             | -                             |
| X Other comprehensive Income                                                         |      | (1,626.20)                    | 5,555.18                      |
| XI Total comprehensive income for the year (IX + X)                                  |      | (1,497.86)                    | 7,024.38                      |
| Profit for the Period attributable to                                                |      |                               |                               |
| (i) Owners of the Company                                                            |      | 113.30                        | 1,466.59                      |
| (ii) Non Controlling Interest                                                        |      | 15.04                         | 2.60                          |
| Other Comprehensive Income for the Period attributable to                            |      |                               |                               |
| (i) Owners of the Company                                                            |      | (1,626.20)                    | 5,555.18                      |
| (ii) Non Controlling Interest                                                        |      | -                             | -                             |
| Total Comprehensive Income for the Period attributable to                            |      |                               |                               |
| (i) Owners of the Company                                                            |      | (1,512.90)                    | 7,021.78                      |
| (ii) Non Controlling Interest                                                        |      | 15.04                         | 2.60                          |
| XII Earnings per equity share                                                        | 32   |                               |                               |
| [Face value of equity share Rs. 10 each (previous year Rs. 10 each)]                 |      |                               |                               |
| - Basic                                                                              |      | 0.34                          | 4.41                          |
| - Diluted                                                                            |      | 0.34                          | 4.41                          |

**Material Accounting Policies**

See accompanying notes to the Financial Statements

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1 to 46

As per our report of even date attached

For V. SINGHI &amp; ASSOCIATES

Chartered Accountants

Firm Registration No.: 311017E

CA VINOD KUMAR SINGHI  
Partner

Membership No: 050051

Date: 27th August, 2025

Place: Kolkata


MANISH AGRAWAL  
Managing Director  
DIN: 00129240

SUBHASH AGARWAL  
(Chief Financial Officer)

For and on behalf of the Board

SURESH KUMAR AGRAWAL  
Director  
DIN: 00587623

Vasudha Agarwal  
VASUDHA AGARWAL  
(Company Secretary)

Vasudha Agarwal  
Company Secretary



## MSP SPONGE IRON LIMITED

CIN:U27102WB1999PLC114830

Consolidated Cash Flow Statement for the year ended 31st March 2025

(₹ in lakhs)

| Particulars                                                                                    | Year ended<br>31st March 2025 | Year ended<br>31st March 2024 |
|------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                                   |                               |                               |
| Profit/ (loss) Before Tax                                                                      | 325.89                        | 1,446.39                      |
| Adjustment for :-                                                                              |                               |                               |
| Depreciation and amortisation expense                                                          | 1,959.36                      | 2,019.85                      |
| Net (gain)/ loss arising on investments measured at fair value through profit and loss         | (37.40)                       | (729.75)                      |
| Share of (Profit) / Loss of Associates                                                         | 8.32                          | 8.71                          |
| Interest received                                                                              | (1,651.48)                    | (909.10)                      |
| Dividend income received                                                                       | (10.63)                       |                               |
| (Profit)/loss on sale of shares classified as Investing Cash Flows                             | (60.00)                       | 15.71                         |
| Finance costs                                                                                  | 241.74                        | 4.20                          |
| Provision for Gratuity & Leave                                                                 | 68.10                         | 68.54                         |
| Provision for Doubtful Debt                                                                    | 85.19                         | 4.30                          |
| Unrealised foreign exchange loss (gain)                                                        | 6.03                          | 7.79                          |
| (Profit)/loss on sale of Property, Plant & Equipment                                           | -                             | 200.36                        |
| Operating profit before working capital changes                                                | 935.11                        | 1,646.76                      |
| (Increase)/ Decrease in Trade Receivables                                                      | 184.45                        | (1,231.67)                    |
| (Increase)/ Decrease in Loans                                                                  | (2,923.35)                    | (606.39)                      |
| (Increase)/ Decrease in Inventories                                                            | 2,689.08                      | 2,869.07                      |
| (Increase)/ Decrease in other financial and non-financial assets                               | 2,156.41                      | 5,282.24                      |
| (Increase)/ Decrease in Goodwill                                                               | -                             | (90.41)                       |
| Increase/ (Decrease) in trade payables, other financial liabilities, other current liabilities | (2,286.20)                    | (2,490.72)                    |
| Cash generated from operations                                                                 | 755.50                        | 5,378.88                      |
| Income taxes paid (net of refund)                                                              | (252.15)                      | (280.42)                      |
| Net cash inflow from operating activities                                                      | 503.36                        | 5,098.45                      |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                                                   |                               |                               |
| Purchase of property, plant & equipment including CWIP                                         | (5,159.63)                    | (5,083.63)                    |
| Proceeds from sale of property, plant and Equipment                                            | -                             | 336.13                        |
| Purchase of Shares                                                                             | (63.26)                       | 7.13                          |
| Proceeds from sale of shares                                                                   | 139.69                        | (15.71)                       |
| Changes in other Bank Balances                                                                 | 897.43                        | 76.78                         |
| Interest received                                                                              | 1,651.48                      |                               |
| Dividend income                                                                                | 10.63                         | 909.10                        |
| Net cash inflow/ (outflow) from Investing activities                                           | (2,523.67)                    | (3,770.21)                    |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                                   |                               |                               |
| Adjustment for Non- Controlling Interest                                                       | -                             | 90.41                         |
| Interest paid                                                                                  | (241.74)                      | (4.20)                        |
| Long term borrowings Received / (paid) (net)                                                   | -                             | (2,705.23)                    |
| Short term borrowings Received / (paid) (net)                                                  | 2,150.04                      | 1,908.29                      |
| Net cash inflow/ (outflow) from financing activities                                           | 1,908.29                      | (3,038.38)                    |
| Net increase in cash & cash equivalents                                                        | (112.01)                      | (1,710.14)                    |
| Cash & Cash equivalents at beginning of the year                                               | 735.53                        | 2,445.67                      |
| Cash & Cash equivalents at closing year ended 31.03.2025                                       | 623.52                        | 735.53                        |
| Note:                                                                                          |                               |                               |
| Balances with banks                                                                            |                               |                               |
| - In current accounts                                                                          | 600.63                        | 685.62                        |
| - In embarked current accounts*                                                                | 1.60                          | 1.60                          |
| Cash on hand                                                                                   | 21.28                         | 48.31                         |
| Cash & Cash equivalents at closing year ended 31.03.2025                                       | 623.52                        | 735.53                        |

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

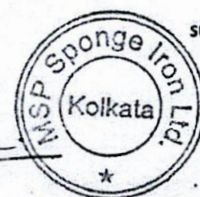
Material Accounting Policies

See accompanying notes to the Financial Statements

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1 to 46

As per our report of even date attached

For and on behalf of the Board

For V. SINGHI & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 311017ECA VINOD KUMAR SINGHI  
Partner  
Membership No: 050051Date: 27th August, 2025  
Place: KolkataMANISH AGRAWAL  
Managing Director  
DIN: 00129240SUBHASH AGARWAL  
(Chief Financial Officer)SURESH KUMAR AGRAWAL  
Director  
DIN: 00587623Vasudha Agarwal  
VASUDHA AGARWAL  
(Company Secretary)

MSP SPONGE IRON LIMITED

Company Secretary



**MSP SPONGE IRON LIMITED**

CIN:U27102WB1999PLC114830

Consolidated Statement of changes of equity for the year ended 31st March 2025

(₹ in lakhs)

**A. Equity share capital**

| Particulars                                    | Number     | Amount   |
|------------------------------------------------|------------|----------|
| Balance as at 1st April 2023                   | 332,29,976 | 3,323.00 |
| Changes in equity share capital during 2023-24 | -          | -        |
| Balance as at 31st March 2024                  | 332,29,976 | 3,323.00 |
| Balance as at 1st April 2024                   | 332,29,976 | 3,323.00 |
| Changes in equity share capital during 2024-25 | -          | -        |
| Balance as at 31st March 2025                  | 332,29,976 | 3,323.00 |

**B. Other equity**

| Particulars                                                                                 | Reserves and surplus |                 |               |                   | Items of Other Comprehensive Income (OCI)             | Total Equity | Non Controlling Interest |
|---------------------------------------------------------------------------------------------|----------------------|-----------------|---------------|-------------------|-------------------------------------------------------|--------------|--------------------------|
|                                                                                             | Capital reserve      | General reserve | Share Premium | Retained earnings | Equity Instruments through other comprehensive income |              |                          |
| Balance at 1st April 2023                                                                   | 40,224.57            | 3,622.04        | 21,206.74     | 1,924.41          | (1,478.07)                                            | 65,499.70    | 1,153.94                 |
| Profit or Loss                                                                              | -                    | -               | -             | 1,466.59          | -                                                     | 1,466.59     | 2.60                     |
| Transaction with non controlling interest                                                   | -                    | -               | -             | -                 | -                                                     | -            | 90.41                    |
| Remeasurement of Defined Benefits gain / (loss) - net of tax - Other Comprehensive Income   | -                    | -               | -             | -                 | 8.55                                                  | 8.55         | -                        |
| Remeasurement of Defined Benefits gain / (loss) transferred from Other Comprehensive Income | -                    | -               | -             | 8.55              | (8.55)                                                | -            | -                        |
| Fair value of Equity Instrument through FVOCI                                               | -                    | -               | -             | -                 | 5,546.63                                              | 5,546.63     | -                        |
| Total comprehensive income for the year                                                     | 40,224.57            | 3,622.04        | 21,206.74     | 3,399.55          | 4,068.56                                              | 72,521.48    | 1,246.96                 |
| Dividend                                                                                    | -                    | -               | -             | -                 | -                                                     | -            | -                        |
| Income tax on dividend paid                                                                 | -                    | -               | -             | -                 | -                                                     | -            | -                        |
| Other adjustments                                                                           | -                    | -               | -             | -                 | -                                                     | -            | -                        |
| Transfer from retained earnings                                                             | -                    | -               | -             | -                 | -                                                     | -            | -                        |
| Balance at 31st March 2024                                                                  | 40,224.57            | 3,622.04        | 21,206.74     | 3,399.55          | 4,068.56                                              | 72,521.48    | 1,246.96                 |
| Balance at 1st April 2024                                                                   | 40,224.57            | 3,622.04        | 21,206.74     | 3,399.55          | 4,068.56                                              | 72,521.48    | 1,246.96                 |
| Profit or Loss for the year                                                                 | -                    | -               | -             | 113.30            | -                                                     | 113.30       | 15.04                    |
| Adjustment for Associates Company                                                           | -                    | -               | -             | 22.85             | -                                                     | 22.85        | -                        |
| Remeasurement of Defined Benefits gain / (loss) - net of tax - Other Comprehensive Income   | -                    | -               | -             | -                 | 38.73                                                 | 38.73        | -                        |
| Remeasurement of Defined Benefits gain / (loss) transferred from Other Comprehensive Income | -                    | -               | -             | (38.73)           | (38.73)                                               | (77.45)      | -                        |
| Fair value of Equity Instrument through FVOCI                                               | -                    | -               | -             | -                 | (1,587.47)                                            | (1,587.47)   | -                        |
| Total comprehensive income                                                                  | -                    | -               | -             | 97.43             | (1,587.47)                                            | (1,490.05)   | 15.04                    |
| Dividend                                                                                    | -                    | -               | -             | -                 | -                                                     | -            | -                        |
| Income tax on dividend paid                                                                 | -                    | -               | -             | -                 | -                                                     | -            | -                        |
| Transfer from retained earnings                                                             | -                    | -               | -             | -                 | -                                                     | -            | -                        |
| Balance at 31st March 2025                                                                  | 40,224.57            | 3,622.04        | 21,206.74     | 3,496.98          | 2,481.09                                              | 71,031.43    | 1,261.99                 |

Material Accounting Policies

See accompanying notes to the Financial Statements

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1 to 46

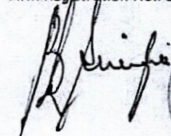
As per our report of even date attached

For and on behalf of the Board

For V. SINGHI &amp; ASSOCIATES

Chartered Accountants

Firm Registration No.: 311017E

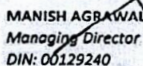


CA VINOD KUMAR SINGHI  
Partner

Membership No: 050051

Date: 27th August, 2025

Place: Kolkata



MANISH AGRAWAL

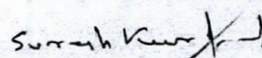
Managing Director

DIN: 00129240



SUBHASH AGRAWAL

(Chief Financial Officer)



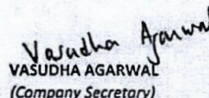
SURESH KUMAR AGRAWAL

Director

DIN: 00587623



MSP SPONGE IRON LIMITED

VASUDHA AGRAWAL

(Company Secretary)



## **1. COMPANY INFORMATION**

MSP Sponge Iron Limited (the "Company") CIN - (U27102WB1999PLC114830) is a public company domiciled in India, incorporated under the provisions of the companies Act, 1956 having its registered office at South City Business Park, 10th Floor, 770 Anandapur Road, E.M. Bypass, Kolkata 700107 and its manufacturing facilities are located at Keonjhar, Odisha & Raigarh, Chhatishgarh. The Company is engaged in the manufacture and sale of Iron and Steel, Ferro Alloys products and Captive Power Generation.

The financial statements for the year ended March 31, 2025 were approved by the Board of Directors and authorised for issue on August 27, 2025.

## **2. MATERIAL ACCOUNTING POLICIES**

### **2.1 Basis of Preparation and Measurement**

#### **a) Basis of preparation & Statement of Compliance**

These financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting year. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant Provisions of the Act and other accounting principles generally accepted in India. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2025, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "financial statements")

#### **b) Functional and presentation currency**

The standalone financial statements are presented in Indian National Rupee (INR), the functional currency of the Company and all values are rounded to the nearest lakh (upto two decimal) except when otherwise stated.

#### **c) Basis of measurement**

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value (Refer Note 4 of the Balance sheet);
- (ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if





MSP SPONGE IRON LIMITED

CIN : U27102WB1999PLC114830

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)

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market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**d) Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

An asset is treated as current when it is

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realised within twelve months after the reporting period; or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when

- i) It is expected to be settled in normal operating cycle;
- ii) It is due to be settled within twelve months after the reporting period; or
- iii) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**e) Use of judgements and estimates**

In preparing these financial statements, management requires to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

**Critical accounting judgements and key sources of estimation uncertainty:**

**Key assumptions-**

**(i) Useful lives of Property, plant and equipment:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically





**MSP SPONGE IRON LIMITED**

**CIN : U27102WB1999PLC114830**

**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)**

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and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

**(ii) Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

**(iii) Defined benefit plans:**

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(iv) Provisions and contingent Liabilities:**

There are certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

**e) Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.





MSP SPONGE IRON LIMITED

CIN : U27102WB1999PLC114830

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)

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**f) Impairment:**

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

**g) Foreign currencies**

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the year in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below the policy on hedge accounting in 2 (XVIII) (B) (f));
- Exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognised in the financial statements for the year ended 31 March, 2016 prepared under previous GAAP, are capitalised as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity year / upto the date of settlement of such monetary item, whichever is earlier, but not beyond 31 March 2022 and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

**h) Goodwill**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as





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**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)**

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Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination space is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss and same is not reversed in subsequent periods.

**2.2 Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates are those companies over which the Company has the ability to exercise significant influence on the financial and operating policy decisions, which it does not control. Generally, significant influence is presumed to exist when the Company holds more than 20% of the voting rights. Joint arrangements, which include joint ventures and joint operations, are those over whose activities the Company has joint control, typically under a contractual arrangement. The investment is accounted for under the equity method and therefore recognised at cost at the date of acquisition and subsequently adjusted for the Group's share in undistributed earnings or losses since acquisition, less any impairment incurred. When the Group's share of losses exceeds the carrying value of such investments, the carrying value is reduced to Nil and recognition of future losses is discontinued, except to the extent that the Group has incurred obligation in respect of the associate.

The results of subsidiaries and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated financial statements.

**2.3 Other material accounting policies**

**a) Financial instruments**

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





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**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)**

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acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular purchase and sale of financial assets are accounted for at trade date.

**Investment in Subsidiaries, associates and joint ventures**

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount, being the higher of value in use or fair value less costs to sell. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

**i) Financial Assets**

**Cash & Bank balances**

Cash and bank balance consist of:

**a) Cash and Cash Equivalents:**

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**b) Other bank balances**

Other bank balances include balances and fixed deposits with banks that are restricted for withdrawal and usage.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

**Financial assets at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and 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.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

**Financial assets at FVTOCI**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset





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**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)**

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give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

**Financial assets at FVTPL**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

**Other equity investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in "Other Comprehensive Income".

**Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

**Dividend Income**

Dividend income from investments is recognised in the statement of profit or loss when the right to receive payment has been established which is generally when shareholders approve the dividend.

**Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

**Impairment of Financial assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.





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**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)**

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The impairment losses and reversals are recognised in Statement of Profit and Loss.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

## **ii. Financial liability and equity instruments**

### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument

### **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

### **Financial Liability**

#### **Initial recognition and measurement**

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

#### **Financial liabilities through FVTPL**

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

#### **Financial liabilities at amortised cost**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value due to the short maturity of these instruments.

#### **Derecognition**

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## **iii. Offsetting of financial instruments**





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**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)**

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Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**b) Property, Plant and Equipment (PPE)**

**i. Recognition and measurement**

Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any except freehold land which are carried at historical cost. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

**ii. Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

**iii. Subsequent expenditure**

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

**iv. Disposal of Property Plant & Equipment**

A PPE is derecognised on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from discard/sale of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is discarded / sold.

**v. Depreciation and amortization**

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss. Depreciation on fixed assets are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act. Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.





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**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)**

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**c) Impairment**

**i. Impairment of non-financial assets**

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**d) Inventories:**

Inventories comprise Raw Material, Work-in-Progress, Finished Goods, Packing Material and Stores & Spares.

Inventories except stores & spares are valued at the lower of cost and net realisable value. Inventory of Stores & Spares are valued at cost. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

Cost of inventories is based on First in first out (FIFO) basis. Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but exclude borrowing costs.

Provisions are made to cover slow moving and obsolete items based on historical experience of utilisation on a product category basis, which involves individual businesses considering their product lines and market conditions.

**e) Employee Benefits**

**i) Short-term employee benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**ii) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.





**iii) Defined benefit plans**

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Remeasurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

**Gratuity:**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**Leave Encashment:**

Liability for leave encashment is treated as a long term liability and is provided on the basis of valuation by an independent Actuary as at the year end.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**f) Provisions (other than for employee benefits), Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement and are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the financial statements.

**g) Revenue Recognition**





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**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)**

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**a. Sale of Goods**

The Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and Services in the arrangement, based on their stand-alone selling prices. Revenue from sale of by products are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

**Contract balances**

**i) Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration.

**ii) Trade receivables**

A receivable is recognised when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets (i.e., only the passage of time is required before payment of the consideration is due)

**iii) Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer.

**iv) Refund liabilities**





A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

**h) Income tax**

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

**i. Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**ii. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**i) Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**j) Events occurring after balance sheet date**

Material events occurring after the Balance Sheet are considered up to the date of approval of the accounts by the board of directors. There are no substantial events having an impact on the results of the current year Balance Sheet.

**k) Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segment for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

**l) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.





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Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)

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**m) Business Combination**

Common control business combination is accounted using the pooling of interest method where the Company is transferee. Assets and liabilities of the combining entities are reflected at their carrying amounts and no new asset or liability is recognised. Identity of reserves of the transferor company is preserved by reflecting them in the same form in the Company's financial statements in which they appeared in the financial statements of the transferor company.

The financial information in the financial statements in respect of prior periods is restated from the beginning of the preceding period in the financial statements if the business combination date is prior to that date. However, if business combination date is after that date, the financial information in the financial statements is restated from the date of business combination.

The gain/loss net of tax on transfer of business within common control entities is recognised in the statement of profit and loss account by the transferor entity.

**n) Recent accounting pronouncements**

As on 31 March 2024, there are no new standards or amendments to the existing standards applicable to the Company which has been notified by Ministry of Corporate Affairs.

**o) Leases**

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

**The Company as lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the





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Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Continued)

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lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the remeasurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in the statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur. Payment made towards leases for which non-cancellable term is 12 months or lesser (short-term leases) and low value leases are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

#### The Company as lessor

(i) Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

(ii) Finance lease – When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return. Such rate is the interest rate which is implicit in the lease contract.





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Notes to Consolidated Financial Statement for the year ended 31st March 2025

(₹ in lakhs)

**3(A) Property, plant and equipment**

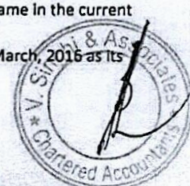
| Particulars                                        | Land     | Buildings | Plant and Equipment | Furniture & Fixtures | Vehicles | Office equipment | Right of Use Assets (ROU) | Total     |
|----------------------------------------------------|----------|-----------|---------------------|----------------------|----------|------------------|---------------------------|-----------|
| <b>Cost or deemed cost (Gross Carrying Amount)</b> |          |           |                     |                      |          |                  |                           |           |
| Balance at 1st April 2023                          | 879.57   | 10,569.42 | 34,037.64           | 42.68                | 105.80   | 111.40           | -                         | 45,746.52 |
| Additions                                          | 2.63     | 78.00     | 1,424.41            | 0.60                 |          | 9.27             |                           | 1,514.90  |
| Disposals/ Discard                                 | 20.67    |           | 37.96               |                      |          |                  |                           | 58.63     |
| Balance at 31st March 2024                         | 861.53   | 10,647.42 | 35,424.09           | 43.28                | 105.80   | 120.66           | -                         | 47,202.79 |
| Balance at 1st April 2024                          | 861.53   | 10,647.42 | 35,424.09           | 43.28                | 105.80   | 120.66           | -                         | 47,202.79 |
| Additions / Adjustments                            | (412.18) | 32.98     | 1,758.07            | 0.86                 | 82.02    | 4.63             | 422.30                    | 1,888.68  |
| Disposals/ Discard                                 |          |           |                     |                      |          |                  |                           | -         |
| Balance at 31st March 2025                         | 449.35   | 10,680.40 | 37,182.16           | 44.15                | 187.83   | 125.30           | 422.30                    | 49,091.47 |
| <b>Accumulated depreciation</b>                    |          |           |                     |                      |          |                  |                           |           |
| Balance at 1st April 2023                          | -        | 2,470.96  | 10,096.48           | 20.76                | 44.97    | 60.16            | -                         | 12,693.33 |
| Depreciation for the year                          |          | 386.11    | 1,592.03            | 3.84                 | 10.53    | 19.05            | -                         | 2,011.56  |
| Adjustments/ Disposals                             | -        |           | 12.39               |                      |          |                  |                           | 12.39     |
| Balance at 31st March 2024                         | -        | 2,857.08  | 11,676.12           | 24.61                | 55.49    | 79.20            | -                         | 14,692.50 |
| Balance at 1st April 2024                          | -        | 2,857.08  | 11,676.12           | 24.61                | 55.49    | 79.20            | -                         | 14,692.50 |
| Depreciation for the year                          |          | 373.67    | 1,598.70            | 2.55                 | 10.21    | 14.39            | 5.61                      | 2,005.13  |
| Disposals / Adjustments                            |          | -14.19    | 33.73               | -0.37                | 81.92    | -1.90            |                           | 99.20     |
| Balance at 31st March 2025                         | -        | 3,216.55  | 13,308.55           | 26.79                | 147.62   | 91.69            | 5.61                      | 16,796.82 |
| <b>Net Block</b>                                   |          |           |                     |                      |          |                  |                           |           |
| As at 31st March 2024                              | 861.53   | 7,790.34  | 23,747.97           | 18.68                | 50.31    | 41.46            | -                         | 32,510.29 |
| As at 31st March 2025                              | 449.35   | 7,463.84  | 23,873.61           | 17.36                | 40.20    | 33.60            | 416.69                    | 32,294.65 |

**3(B) Intangible assets**

| Computer Software                                  | Total |
|----------------------------------------------------|-------|
| <b>Cost or deemed cost (Gross Carrying Amount)</b> |       |
| Balance at 1st April 2023                          | 37.84 |
| Additions                                          | 11.10 |
| Disposals/ Discard                                 | -     |
| Balance at 31st March 2024                         | 48.94 |
| Balance at 1st April 2024                          | 48.94 |
| Additions                                          | -     |
| Disposals/ Discard                                 | -     |
| Balance at 31st March 2025                         | 48.94 |
| <b>Accumulated depreciation</b>                    |       |
| Balance at 1st April 2023                          | 19.11 |
| Amortisation for the year                          | 8.29  |
| Adjustments/ Disposals                             | -     |
| Balance at 31st March 2024                         | 27.40 |
| Balance at 1st April 2024                          | 27.40 |
| Amortisation for the year                          | 8.57  |
| Adjustments/ Disposals                             | -     |
| Balance at 31st March 2025                         | 35.97 |
| <b>Net Block</b>                                   |       |
| As at 31st March 2024                              | 21.53 |
| As at 31st March 2025                              | 12.96 |

\* The Subsidiary Company has recalculated the depreciation of certain assets for earlier years and has given the impact of the same in the current year's depreciation.

(1) The company has elected to measure all its property, plant and equipments at the previous GAAP carrying amount i.e 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to IND AS i.e 1st April, 2016.





**MSP SPONGE IRON LIMITED**

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Notes to Consolidated Financial Statement for the year ended 31st March 2025

(₹ in lakhs)

**3(C) Capital work-in-progress (CWIP)**

| Particulars                      | Total     |
|----------------------------------|-----------|
| Balance at 1st April 2023        | 5,904.47  |
| Additions                        | 4,931.90  |
| Disposals/ Discard / Capitalised | 1,374.27  |
| Balance at 31st March 2024       | 9,462.10  |
| Balance at 1st April 2024        | 9,462.10  |
| Additions                        | 3,946.37  |
| Disposals/ Discard / Capitalised | 521.88    |
| Balance at 31st March 2025       | 12,886.59 |

**Ageing of Capital work-in-progress (CWIP)**

As at 31 March 2025

Amount in CWIP for a period of

| Particulars                    | Less than<br>1 year | 1 – 2 years | 2 – 3 years | More than<br>3 years | Total     |
|--------------------------------|---------------------|-------------|-------------|----------------------|-----------|
| Projects in progress           | 3,424.49            | 4,548.19    | 4,444.69    | 469.22               | 12,886.59 |
| Projects temporarily suspended | -                   | -           | -           | -                    | -         |

As at 31 March 2024

Amount in CWIP for a period of

| Particulars                    | Less than<br>1 year | 1 – 2 years | 2 – 3 years | More than<br>3 years | Total    |
|--------------------------------|---------------------|-------------|-------------|----------------------|----------|
| Projects in progress           | 4,548.19            | 4,444.69    | 469.22      | -                    | 9,462.10 |
| Projects temporarily suspended | -                   | -           | -           | -                    | -        |

Note: There is no overrun or delaying project for the year ended 31st March, 2025 and 31st March, 2024





## MSP SPONGE IRON LIMITED

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Notes to Consolidated Financial Statement for the year ended 31st March 2025

(₹ in lakhs)

| 4 Investments                                                                                                                | As at<br>31st March 2025 | As at<br>31st March 2024 |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 4(A) Non-current Investments                                                                                                 |                          |                          |
| (a) Investments in equity instruments                                                                                        |                          |                          |
| (i) In Associate (at cost)                                                                                                   |                          |                          |
| Non-trade Investments (Unquoted)                                                                                             |                          |                          |
| Sidhsilver Infraproperties Pvt. Ltd 25,00,000 (31st March 2024: 25,00,000) Equity Shares of Rs. 10/- each fully paid, ***    | -                        | 235.47                   |
|                                                                                                                              | -                        | 235.47                   |
| (b) Investments in equity shares of other companies                                                                          |                          |                          |
| (i) Non trade Investments (Quoted) - (at fair value through Other Comprehensive Income)                                      |                          |                          |
| GTL Infrastructure Limited, 206 (31st March 2024: 206) Equity Shares of Rs.10/- each fully paid                              | 0.00                     | 0.00                     |
| GTL Limited, 100 (31st March 2024: 100) Equity Shares of Rs.10/- each fully paid                                             | 0.01                     | 0.01                     |
| Howrah Gases Limited, 7,833 (31st March 2024: 7,833) Equity Shares Rs.10/- each fully paid                                   | 1.25                     | 1.25                     |
| Infosys Technologies Limited, 3200 (31st March 2024: 3200) Equity Shares of Rs.5/- each fully paid                           | 50.26                    | 47.94                    |
| Mahanagar Telephone Nigam Limited, 200 (31st March 2024: 200) Equity Shares of Rs.10/- each fully paid                       | 0.09                     | 0.07                     |
| Mohan Finance Limited, 400 (31st March 2024: 400) Equity Shares of Rs.10/- each fully paid                                   | 0.07                     | 0.07                     |
| MSP Steel and Power Limited, 2,47,36,500 (31st March 2024: 2,47,36,500) Equity Shares of Rs.10/- each fully paid *           | 6,755.54                 | 7,569.37                 |
| Multiplus Resources Limited, 6,700 (31st March 2024: 6,700) Equity Shares of Rs.10/- each fully paid                         | 0.10                     | 0.10                     |
| Nageswar Investment Limited, 11,000 (31st March 2024: 11,000) Equity Shares of Rs.1/- each fully paid                        | 4.40                     | 4.40                     |
| Dish Tv India Limited, 57 (31st March 2024: 57) Equity Shares of Rs.10/- each fully paid                                     | 0.00                     | 0.01                     |
| Zee Learn Limited, 27 (31st March 2024: 27) Equity Shares of Rs.10/- each fully paid                                         | 0.00                     | 0.00                     |
| P.K. Leasing and Finance Limited, 35,000 (31st March 2024: 35,000) Equity Shares of Rs.10/- each fully paid                  | 1.05                     | 1.05                     |
| Uco Bank Limited, 3,900 (31st March 2024: 3,900) Equity Shares of Rs.10/- each fully paid                                    | 1.39                     | 2.04                     |
| SITI Network Limited (Wire & Wireless (India) Limited), 50 (31st March 2024: 50) Equity Shares of Rs.1/- each fully paid     | 0.00                     | 0.00                     |
| Zee Entertainment Enterprises Limited, 218 (31st March 2024: 218) Equity Shares of Rs.1/- each fully paid                    | 0.21                     | 0.30                     |
| Zee Media Corporation Limited (Zee News Limited), 45 (31st March 2024: 45) Equity Shares of Rs.1/- each fully paid           | 0.01                     | 0.00                     |
| Diligent Media Corporation Limited, 11 (31st March 2024: 11) Equity Shares of Rs.10/- each fully paid                        | 0.00                     | 0.00                     |
|                                                                                                                              | 6,814.39                 | 7,626.61                 |
| (ii) Non trade Investments (Unquoted) - (at fair value through Other Comprehensive Income)                                   |                          |                          |
| MSP Mines & Minerals Pvt Limited, 42,000 (31st March 2024: 42,000) Equity Shares of Rs.10/- each fully paid                  | 78.30                    | 75.29                    |
| Keonjhar Infrastructure Development Co. Limited, 7,200 (31st March 2024: 7,200) Equity Shares of Rs.10/- each fully paid     | 0.94                     | 0.96                     |
| Doyang Wood Products Limited, 5,00,000 (31st March 2024: 5,00,000) Equity Shares of Rs.10/- each fully paid                  | 32.80                    | 40.70                    |
| M.A. Hire Purchase Private Limited 1,59,074 (31st March 2024: 1,59,074) Equity Shares of Rs.10/- each fully paid             | 156.77                   | 151.09                   |
| Admirable Realtors Pvt Limited, 1,134 (31st March 2024: 1,134) Equity Shares of Rs.10/- each fully paid                      | 1.09                     | 1.01                     |
| Dexo Trading Pvt Limited, 3,000 (31st March 2024: 3,000) Equity Shares of Rs.10/- each fully paid                            | 5.06                     | 9.32                     |
| Rama Alloys Pvt Ltd (Digvijay Tracon Pvt Limited), 34,600 (31st March 2024: 34,600) Equity Shares of Rs.10/- each fully paid | 36.06                    | 39.19                    |
| Khatupati Energy Limited, 90,000 (31st March 2024: 90,000) Equity Shares of Rs.10/- each fully paid                          | 60.70                    | 65.91                    |
| Pebitra Enclave Pvt Limited, 5,200 (31st March 2024: 5,200) Equity Shares of Rs.10/- each fully paid                         | -                        | 0.78                     |
| Ravi Business Services Pvt Limited, 4,696 (31st March 2024: 4,696) Equity Shares of Rs.100/- each fully paid                 | 69.43                    | 64.63                    |





**MSP SPONGE IRON LIMITED**

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(₹ in lakhs)

|                                                                                                                                      |                 |                 |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Shree Vinay Finvest Private Limited, 72,176 (31st March 2024: 72,176) Equity Shares of Rs.10/- each fully paid                       | 131.24          | 115.76          |
| Sikher Commotrade Pvt Limited, 3,800 (31st March 2024: 3,800) Equity Shares of Rs.10/- each fully paid                               | 5.48            | 7.68            |
| Procheta Consultants Pvt. Ltd, 22,000 (31st March 2024: 22,000) Equity Shares of Rs.10/- each fully paid                             | 12.00           | 20.69           |
| Jaik Leasing & Commercial Investments Ltd, 7,26,483 (31st March 2024: 7,26,483 ) Equity Shares of Rs.10/- each fully paid            | 552.56          | 1,487.62        |
| Sidhsilver Infraproperties Pvt. Ltd *** 25,00,000 (31st March 2024: 25,00,000) Equity Shares of Rs. 10/- each fully paid,            | 171.75          | -               |
| Jagran Vyapaar Pvt Limited, 2,55,289 (31st March 2024: 2,55,289) Equity Shares of Rs.10/- each fully paid                            | 309.38          | 305.40          |
|                                                                                                                                      | <b>1,623.57</b> | <b>2,386.02</b> |
|                                                                                                                                      | <b>1,623.57</b> | <b>2,621.50</b> |
| <b>(c) Investment in preference shares</b>                                                                                           |                 |                 |
| Non-trade Investment (Unquoted) - at fair value through Other Comprehensive Income                                                   |                 |                 |
| Keonjhar Infrastructure Development Co. Limited, 12,50,000 (31st March 2024: 12,50,000) Preference Shares of Rs.10/- each fully paid | 125.00          | 125.00          |
|                                                                                                                                      | <b>125.00</b>   | <b>125.00</b>   |
| <b>(d) Long term Investments in 0.01% Optionally Fully Convertible Debentures</b>                                                    |                 |                 |
| Non-trade Investment (Unquoted) - at Amortised cost                                                                                  |                 |                 |
| Dexo Trading Private Limited., 1,00,000 (31st March 2024: 1,00,000) Debentures of Rs.100/- each fully paid                           | 100.00          | 100.00          |
| Shree Vinay Finvest Pvt Ltd, 10,75,000 (31st March 2024 10,75,000) Debentures of Rs.100/- each fully paid                            | 1,075.00        | 1,075.00        |
|                                                                                                                                      | <b>1,175.00</b> | <b>1,175.00</b> |
| <b>(e) Investment in government securities (at amortised cost)</b>                                                                   |                 |                 |
| National Saving Certificate (NSC)**                                                                                                  |                 |                 |
|                                                                                                                                      | 4.10            | 4.10            |
|                                                                                                                                      | <b>4.10</b>     | <b>4.10</b>     |
| <b>Other Non Current Investments</b>                                                                                                 |                 |                 |
| **NSC is pledged with the State Mining Department against Mining Licences.                                                           |                 |                 |
| Aggregate amount of Quoted Investments (Non-Current) - at Cost                                                                       | 4,995.65        | 4,995.65        |
| Aggregate amount of the Quoted Investments (Non-Current) - at Market value                                                           | 6,814.39        | 7,626.61        |
| Aggregate value of unquoted Investments (Non-Current)                                                                                | 2,927.67        | 3,925.60        |

\*\*\* During the year, Sidhsilver Infraproperties Pvt. Ltd. has issued equity shares by private placement due to which the Company's percentage of shareholding has been reduced from 26.90% to 16.35%. As such, its reporting is changed from the associate group to Non-Current Investment.

Disclosure as required by section 186(4) of the Companies Act, 2013

\* The Company had given corporate guarantee in the financial year 2014-15 on behalf of MSP Steel & Power Ltd to the extent of the entire holding of equity shares in MSP Steel & Power Ltd and pledged with the lenders of MSP Steel & Power Ltd.

**4(B) Current Investments**
Investments in equity instruments

Trade Investments (Quoted) - in others (at fair value through Profit and Loss)

|                                                                                                                              |                 |                 |
|------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Poonawalla Fincorp Ltd: Nil (31st March 2024: 3,200) Equity Shares of Rs.2/- each fully paid                                 | -               | 14.90           |
| Godawari Power And Ispat Limited: 21,850 (31st March 2024: Nil) Equity Shares of Rs.1/- each fully paid                      | 39.36           | -               |
| Vedanta Limited 1,185 (31st March 2024: Nil) Equity Shares of Rs. 1/- each fully paid                                        | 5.49            | -               |
| Radico Khaitan Limited: Nil (31st March 2024: 4,400) Equity Shares of Rs. 2/- each fully paid                                | -               | 76.02           |
| Tips Music Limited (Tips Industries Limited): 1,27,450 (31st March 2024: 1,29,080 ) Equity Shares of Rs. 1/- each fully paid | 805.80          | 594.61          |
| TAJGVK Hotels & Resorts Limited 825 (31st March 2024: Nil) Equity Shares of Rs. 2/- each fully paid)                         | 3.94            | -               |
| Annapurna Swadist Limited 1,41,000 (31st March 2024: 1,41,000) Equity Shares of Rs. 10/- each fully paid)                    | 393.60          | 538.62          |
| Apeejay Surrendra Park 870 (31st March 2024: Nil) Equity Shares of Rs. 1/- each fully paid)                                  | 1.27            | -               |
| Tips Films Limited, 2,339 (31st March 2024: 2,339) Equity Shares of Rs. 10/- each fully paid)                                | 11.42           | 15.77           |
|                                                                                                                              | <b>1,260.89</b> | <b>1,239.92</b> |

Aggregate amount of Quoted Investments (Current) - at Cost

Aggregate amount of the Quoted Investments (Current) - at Market value

370.05 386.48  
1,260.89 1,239.92





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(₹ in lakhs)

| 5 Loans                      |  | As at            | As at           |
|------------------------------|--|------------------|-----------------|
|                              |  | 31st March 2025  | 31st March 2024 |
| Current                      |  |                  |                 |
| (Unsecured, considered good) |  |                  |                 |
| Repayable on demand          |  |                  |                 |
| Loans to related parties     |  | -                | 10.55           |
| Others                       |  |                  |                 |
| - Loans to bodies corporate  |  | 12,473.91        | 9,540.01        |
| <b>Total</b>                 |  | <b>12,473.91</b> | <b>9,550.56</b> |

**(a) Disclosure as required by section 186(4) of the Companies Act, 2013**

| Particulars                                   | Purpose              | As at           | As at           |
|-----------------------------------------------|----------------------|-----------------|-----------------|
|                                               |                      | 31st March 2025 | 31st March 2024 |
| Related Parties                               |                      |                 |                 |
| Jaik Leasing & Commercial Investments Limited | For Business Purpose | -               | 10.55           |
| Others                                        |                      |                 |                 |
| Loans to bodies corporate                     | For Business Purpose | 12,473.91       | 9,540.01        |

**(b) Loans which are payable on demand granted to promoters, directors, KMPs and related parties.**

| Type of Borrower                              | Nature of Loans   | Amount of loan or advance in the nature of loan outstanding |                 | Percentage to the total Loans and Advances in the nature of loans |                 |
|-----------------------------------------------|-------------------|-------------------------------------------------------------|-----------------|-------------------------------------------------------------------|-----------------|
|                                               |                   | As at                                                       | As at           | As at                                                             | As at           |
|                                               |                   | 31st March 2025                                             | 31st March 2024 | 31st March 2025                                                   | 31st March 2024 |
| Promoters                                     |                   | -                                                           | -               | -                                                                 | -               |
| Directors                                     |                   | -                                                           | -               | -                                                                 | -               |
| KMPs                                          |                   | -                                                           | -               | -                                                                 | -               |
| Related Parties                               |                   |                                                             |                 |                                                                   |                 |
| Jaik Leasing & Commercial Investments Limited | Payable on demand | -                                                           | 10.55           | -                                                                 | 0.11%           |

**6 Deferred tax liabilities (net)**

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

| Particulars                                            | As at           | As at           |
|--------------------------------------------------------|-----------------|-----------------|
|                                                        | 31st March 2025 | 31st March 2024 |
| Deferred tax liabilities                               | 4,975.07        | 5,288.64        |
| Deferred tax assets                                    | 218.45          | 283.43          |
| <b>Net Deferred Tax Liability</b>                      | <b>4,756.62</b> | <b>5,005.21</b> |
| <b>Components of Deferred Tax Asset and Liability:</b> |                 |                 |
| <b>Deferred Tax Liability:</b>                         |                 |                 |
| Depreciation and Amortization expenses                 | 4,924.30        | 4,920.88        |
| Fair Value gain on Investment                          | 57.71           | 294.92          |
| Expenditure covered by section 43B of I.T. Act, 1961   | -               | -               |
| Employee Deferred Benefit Expenses                     | (6.94)          | 72.85           |
| Others                                                 | -               | -               |
| <b>Total</b>                                           | <b>4,975.07</b> | <b>5,288.64</b> |
| <b>Deferred Tax Asset:</b>                             |                 |                 |
| Expenditure covered by section 43B of I.T. Act, 1961   | 58.83           | 43.52           |
| Deferred Income                                        | 4.86            | 76.32           |
| Others                                                 | 154.76          | 163.59          |
| <b>Total</b>                                           | <b>218.45</b>   | <b>283.43</b>   |

**7 Other non-current assets**

|                                      | As at           | As at           |
|--------------------------------------|-----------------|-----------------|
|                                      | 31st March 2025 | 31st March 2024 |
| (Unsecured, considered good)         |                 |                 |
| Advances for Capital Expenditure     | 286.34          | 760.83          |
| Advances other than capital advances |                 |                 |
| - Security Deposits                  | 43.01           | 29.01           |
| <b>Total</b>                         | <b>329.35</b>   | <b>789.84</b>   |

**8 Inventories**

|                                                                            | As at           | As at            |
|----------------------------------------------------------------------------|-----------------|------------------|
|                                                                            | 31st March 2025 | 31st March 2024  |
| Raw materials [Includes Material-in-transit Rs.114.80 (Rs.341.45) lakhs]   | 4,405.42        | 3,454.73         |
| Finished goods                                                             | 1,975.45        | 5,869.90         |
| Work-in-Progress                                                           | 204.02          | 9.56             |
| Stores and spares [Includes Material-in-transit Rs.98.53 (Rs.80.27) lakhs] | 2,452.70        | 2,392.49         |
| <b>Total</b>                                                               | <b>9,037.60</b> | <b>11,726.68</b> |

Inventories except stores &amp; spares are valued at the lower of cost and net realisable value. Inventory of Stores &amp; Spares are valued at cost.

**9 Trade receivables**

|                                                                  | As at           | As at           |
|------------------------------------------------------------------|-----------------|-----------------|
|                                                                  | 31st March 2025 | 31st March 2024 |
| Trade receivables (considered good - unsecured)*                 | 4,871.92        | 5,056.37        |
| Trade receivables which have significant increase in credit risk | -               | -               |
| Less: Loss allowances                                            | (89.49)         | (4.30)          |
| <b>Total</b>                                                     | <b>4,782.42</b> | <b>5,052.06</b> |

\* Trade Receivables includes Dues from companies include enterprises over which key management personnel / shareholders / relatives have significant influence





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(₹ in lakhs)

**9.1 The ageing of trade receivable is as below:**

| Particulars                                                      | Outstanding as on 31st March 2025 from due date of payment |               |                    |                    |              |              |                   | Total           |
|------------------------------------------------------------------|------------------------------------------------------------|---------------|--------------------|--------------------|--------------|--------------|-------------------|-----------------|
|                                                                  | Unbilled                                                   | Not Due       | Less than 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years |                 |
| (i) Undisputed - Considered good                                 | -                                                          | 422.94        | 3,742.96           | 85.42              | 11.84        | 19.24        | 568.00            | 4,850.40        |
| (ii) Undisputed - Which have significant increase in credit risk | -                                                          | -             | -                  | -                  | -            | -            | -                 | -               |
| (iii) Undisputed - Credit impaired                               | -                                                          | -             | -                  | -                  | -            | -            | -                 | -               |
| (iv) Disputed - Considered good                                  | -                                                          | -             | -                  | -                  | -            | -            | 21.52             | 21.52           |
| (v) Disputed - Which have significant increase in credit risk    | -                                                          | -             | -                  | -                  | -            | -            | -                 | -               |
| (vi) Disputed - Credit impaired                                  | -                                                          | -             | -                  | -                  | -            | -            | -                 | -               |
| <b>Total</b>                                                     | -                                                          | <b>422.94</b> | <b>3,742.96</b>    | <b>85.42</b>       | <b>11.84</b> | <b>19.24</b> | <b>589.51</b>     | <b>4,871.92</b> |
| Less: Loss Allowances                                            |                                                            |               |                    |                    |              |              |                   | (89.49)         |
| <b>Total trade receivables</b>                                   |                                                            |               |                    |                    |              |              |                   | <b>4,782.42</b> |

| Particulars                                                      | Outstanding as on 31st March 2024 from due date of payment |               |                    |                    |              |               |                   | Total           |
|------------------------------------------------------------------|------------------------------------------------------------|---------------|--------------------|--------------------|--------------|---------------|-------------------|-----------------|
|                                                                  | Unbilled                                                   | Not Due       | Less than 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years  | More than 3 years |                 |
| (i) Undisputed - Considered good                                 | -                                                          | 997.11        | 3,416.85           | 14.36              | 32.29        | 390.46        | 183.78            | 5,034.85        |
| (ii) Undisputed - Which have significant increase in credit risk | -                                                          | -             | -                  | -                  | -            | -             | -                 | -               |
| (iii) Undisputed - Credit impaired                               | -                                                          | -             | -                  | -                  | -            | -             | -                 | -               |
| (iv) Disputed - Considered good                                  | -                                                          | -             | -                  | -                  | -            | -             | 21.52             | 21.52           |
| (v) Disputed - Which have significant increase in credit risk    | -                                                          | -             | -                  | -                  | -            | -             | -                 | -               |
| (vi) Disputed - Credit impaired                                  | -                                                          | -             | -                  | -                  | -            | -             | -                 | -               |
| <b>Total</b>                                                     | -                                                          | <b>997.11</b> | <b>3,416.85</b>    | <b>14.36</b>       | <b>32.29</b> | <b>390.46</b> | <b>205.29</b>     | <b>5,056.37</b> |
| Less: Loss Allowances                                            |                                                            |               |                    |                    |              |               |                   | (4.30)          |
| <b>Total trade receivables</b>                                   |                                                            |               |                    |                    |              |               |                   | <b>5,052.06</b> |

9.2 The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

**9.3 The details of Loss allowances for doubtful receivables are as under:-**

| Particulars                 | As at<br>31st March 2025 | As at<br>31st March 2024 |
|-----------------------------|--------------------------|--------------------------|
| Opening Balance             | 4.30                     | -                        |
| Add/(Less): Loss Allowances | 85.19                    | 4.30                     |
| Less: Write off/ reversal   | -                        | -                        |
| <b>Closing Balance</b>      | <b>89.49</b>             | <b>4.30</b>              |

**10 Cash and Cash Equivalents**

|                                | As at<br>31st March 2025 | As at<br>31st March 2024 |
|--------------------------------|--------------------------|--------------------------|
| Balances with banks            |                          |                          |
| - In current accounts          | 600.63                   | 685.62                   |
| - In embarked current accounts | 1.60                     | 1.60                     |
| Cash on hand                   | 21.28                    | 48.31                    |
| <b>Total</b>                   | <b>623.52</b>            | <b>735.53</b>            |

**11 Bank balances other than above**

|                 | As at<br>31st March 2025 | As at<br>31st March 2024 |
|-----------------|--------------------------|--------------------------|
| Fixed deposit * | 660.54                   | 1,557.97                 |
| <b>Total</b>    | <b>660.54</b>            | <b>1,557.97</b>          |

\* Represents fixed deposit of

a) ₹ 604.71 lakhs with original maturity of more than 3 months but less than 12 months from the balance sheet date.

b) ₹ 55.83 lakhs with original maturity of Fixed deposit having more than 12 months of maturity from the balance sheet date.

c) Fixed deposit includes an amount of ₹ 258.62 lakhs kept in lien towards the margin money against BG & LC.

d) Fixed deposit includes an amount of ₹ 1.67 lakhs kept in lien towards mining licence as security deposit

e) Fixed deposit against Bank Guarantee of 1.86 lacs with HDFC Bank Ltd. given to Chhattishgarh Environment Conversion for the Subsidiary Company.

**12 Other financial assets**

|                                              | As at<br>31st March 2025 | As at<br>31st March 2024 |
|----------------------------------------------|--------------------------|--------------------------|
| (A) Non-Current                              |                          |                          |
| (Unsecured, considered good)                 |                          |                          |
| Security deposits                            |                          |                          |
| - Related Parties                            | 42.00                    | 42.00                    |
| - Others                                     | 1,160.05                 | 1,221.12                 |
| <b>Total</b>                                 | <b>1,202.05</b>          | <b>1,263.12</b>          |
| (B) Current                                  |                          |                          |
| (Unsecured, considered good)                 |                          |                          |
| - Others                                     |                          |                          |
| Security deposit / EMD                       | 203.45                   | 254.12                   |
| Interest accrued on fixed deposit and others | 98.99                    | 186.68                   |
| Loans and advances to employee               | 20.39                    | 13.77                    |
| Interest on debenture receivable             | 1.06                     | 1.06                     |
| Other Receivable                             | 269.23                   | 271.95                   |
| <b>Total</b>                                 | <b>593.12</b>            | <b>727.57</b>            |





**MSP SPONGE IRON LIMITED**

CIN:U27102WB1999PLC114830

Notes to Consolidated Financial Statement for the year ended 31st March 2025

(₹ In lakhs)

|                                                                           | As at<br>31st March 2025 | As at<br>31st March 2024 |
|---------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>13 Other current assets</b>                                            |                          |                          |
| (Unsecured, considered good)                                              |                          |                          |
| Advances recoverable in cash or kind                                      | 1,696.15                 | 2,243.45                 |
| Others                                                                    |                          |                          |
| - Prepaid expenses                                                        | 32.30                    | 32.30                    |
| - Balances with government authorities                                    | 1,409.31                 | 2,362.41                 |
| <b>Total</b>                                                              | <b>3,137.75</b>          | <b>4,638.16</b>          |
| <b>14 Current tax assets (Net)</b>                                        |                          |                          |
| Current taxation (net of provision)                                       | 41.59                    | -                        |
| <b>Total</b>                                                              | <b>41.59</b>             | <b>-</b>                 |
| <b>15 Equity share capital</b>                                            |                          |                          |
| Authorised                                                                |                          |                          |
| 3,74,00,000 (31st March 2024: 3,74,00,000) Equity Shares of Rs. 10/- each | 3,740.00                 | 3,740.00                 |
| Issued, subscribed and fully paid-up                                      |                          |                          |
| 3,32,29,976 (31st March 2024: 3,32,29,976) Equity Shares of 10/- each     | 3,323.00                 | 3,323.00                 |
| <b>Total</b>                                                              | <b>3,323.00</b>          | <b>3,323.00</b>          |

**A) Reconciliation of equity shares (ordinary shares) outstanding at the beginning and at the end of the reporting year**

|                                                     | As at 31st March 2025 |                 | As at 31st March 2024 |                 |
|-----------------------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
|                                                     | Number                | Amount          | Number                | Amount          |
| At the commencement of the year                     | 332,29,976            | 3,323.00        | 332,29,976            | 3,323.00        |
| Add: Issued during the year                         | -                     | -               | -                     | -               |
| Number of shares outstanding at the end of the year | <b>332,29,976</b>     | <b>3,323.00</b> | <b>332,29,976</b>     | <b>3,323.00</b> |

**B) Terms & Rights attached to equity shares**

The Group has one class of equity shares having a nominal value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**C) Particulars of shareholders holding more than 5% shares of fully paid up equity shares in the holding company are as follows:**

| Sl. No. | Name of the shareholder                                    | As at 31st March 2025 |                                | As at 31 March 2024 |                                |
|---------|------------------------------------------------------------|-----------------------|--------------------------------|---------------------|--------------------------------|
|         |                                                            | Number of shares      | % of total shares in the class | Number of shares    | % of total shares in the class |
| 1       | Jaik Leasing & Commercial Investment Limited               | 63,83,911             | 19.21%                         | 69,83,911           | 21.02%                         |
| 2       | M.A Hire Purchase Private Limited                          | 51,93,568             | 15.63%                         | 51,93,568           | 15.63%                         |
| 3       | Shree Vinay Finvest Private Limited                        | 49,16,049             | 14.79%                         | 49,16,049           | 14.79%                         |
| 4       | Ravi Business Services Private Limited                     | 44,69,986             | 13.45%                         | 44,69,986           | 13.45%                         |
| 5       | Jagran Vyapar Private Limited                              | 18,83,537             | 5.67%                          | 18,83,537           | 5.67%                          |
| 6       | Rama Alloys Private Limited (Digvijay Tracon Private Ltd ) | 16,84,027             | 5.07%                          | 16,84,027           | 5.07%                          |

**D) Details of Promoter's Shareholding in the holding company**

| Sl. No.      | Promoter's name                                           | As at 31 March 2025 |                   | As at 31 March 2024 |                   | % Change during the year |
|--------------|-----------------------------------------------------------|---------------------|-------------------|---------------------|-------------------|--------------------------|
|              |                                                           | No. of Shares       | % of total shares | No. of Shares       | % of total shares |                          |
| 1            | Ekta Agrawal                                              | 1,01,875            | 0.31%             | 1,01,875            | 0.31%             | -                        |
| 2            | Kiran Agrawal                                             | 1,04,250            | 0.31%             | 1,04,250            | 0.31%             | -                        |
| 3            | Manish Agrawal                                            | 3,31,350            | 1.00%             | 3,31,350            | 1.00%             | -                        |
| 4            | Nisha Agrawal                                             | 95,000              | 0.29%             | 95,000              | 0.29%             | -                        |
| 5            | Pransy Agarwal                                            | 2,70,250            | 0.81%             | 2,70,250            | 0.81%             | -                        |
| 6            | Priyanka Agrawal                                          | 43,500              | 0.13%             | 43,500              | 0.13%             | -                        |
| 7            | Puranmal Agrawal                                          | 31,300              | 0.09%             | 31,300              | 0.09%             | -                        |
| 8            | Puranmal Agrawal (Huf)                                    | 1,65,000            | 0.50%             | 1,65,000            | 0.50%             | -                        |
| 9            | Pradip Kumar Dey                                          | 50,100              | 0.15%             | 50,100              | 0.15%             | -                        |
| 10           | Richa Agrawal                                             | 91,875              | 0.28%             | 91,875              | 0.28%             | -                        |
| 11           | Saket Agrawal                                             | 1,20,100            | 0.36%             | 1,20,100            | 0.36%             | -                        |
| 12           | Suresh Kr. Agrawal                                        | 36,300              | 0.11%             | 36,300              | 0.11%             | -                        |
| 13           | Suresh Kr. Agrawal (Huf)                                  | 1,12,500            | 0.34%             | 1,12,500            | 0.34%             | -                        |
| 14           | Ramanand Purnanmal(Huf)                                   | 1,56,000            | 0.47%             | 1,56,000            | 0.47%             | -                        |
| 15           | Danta Vyapar Kendra Limited                               | 16,18,333           | 4.87%             | 16,18,333           | 4.87%             | -                        |
| 16           | Dexo Trading Private Limited                              | 8,33,100            | 2.51%             | 5,93,100            | 1.60%             | 0.90%                    |
| 17           | Rama Alloys Private Limited (Digvijay Tracon Private Ltd) | 16,84,027           | 5.07%             | 16,84,027           | 5.07%             | -                        |
| 18           | Howrah Gases Limited                                      | 56,500              | 0.17%             | 56,500              | 0.17%             | -                        |
| 19           | Jaik Leasing & Commercial Investment Limited              | 63,83,911           | 19.21%            | 69,83,911           | 21.02%            | -1.81%                   |
| 20           | M.A Hire Purchase Private Limited                         | 51,93,568           | 15.63%            | 51,93,568           | 15.63%            | -                        |
| 21           | MSP Steel & Power Limited                                 | 3,13,000            | 0.94%             | 3,13,000            | 0.94%             | -                        |
| 22           | Shree Vinay Finvest Private Limited                       | 49,16,049           | 14.79%            | 49,16,049           | 14.79%            | -                        |
| 23           | Sikhar Commotrade Private Limited                         | 6,28,500            | 1.89%             | 5,03,500            | 1.52%             | 0.38%                    |
| 24           | Procheta Consultants Private Limited                      | 3,44,835            | 1.04%             | 2,19,835            | 0.66%             | 0.38%                    |
| 25           | Sampat Marketing Company Private Limited                  | 9,84,065            | 2.96%             | 9,34,065            | 2.81%             | 0.15%                    |
| 26           | Jagran Vyapar Private Limited                             | 18,83,537           | 5.67%             | 18,83,537           | 5.67%             | -                        |
| 27           | Ginny Traders Private Limited                             | 43,750              | 0.13%             | 43,750              | 0.13%             | -                        |
| <b>Total</b> |                                                           | <b>265,92,575</b>   | <b>80.03%</b>     | <b>265,92,575</b>   | <b>80.03%</b>     |                          |





## MSP SPONGE IRON LIMITED

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Notes to Consolidated Financial Statement for the year ended 31st March 2025

('€ in lakhs)

## 16 Other equity

## A. Summary of other equity balances

|                                                                                    | As at<br>31st March 2025 | As at<br>31st March 2024 |
|------------------------------------------------------------------------------------|--------------------------|--------------------------|
| a) Share premium                                                                   | 21,206.74                | 21,206.74                |
| b) Capital reserve                                                                 | 40,224.57                | 40,224.57                |
| c) General Reserve                                                                 | 3,622.04                 | 3,622.04                 |
| d) Retained Earnings                                                               |                          |                          |
| - Balance as per last financial statements                                         | 3,399.55                 | 1,924.41                 |
| - Profit/(Loss) for the year                                                       | 113.31                   | 1,466.59                 |
| - Adjustment for Associate Company                                                 | 22.85                    | -                        |
| - Remeasurement Benefits gain / (loss) transferred from Other Comprehensive Income | (38.73)                  | 8.55                     |
|                                                                                    | 3,496.98                 | 3,399.55                 |
| e) Items of Other Comprehensive Income (OCI)                                       |                          |                          |
| - Balance as per last financial statements                                         | 4,068.56                 | (1,478.07)               |
| - Remeasurement of defined benefits Gain/(Loss) (Net of tax)                       | (38.73)                  | 8.55                     |
| - Remeasurement Benefits gain / (loss) transferred to retained earnings            | 38.73                    | (8.55)                   |
| - Equity Instruments through other comprehensive income                            | (1,587.47)               | 5,546.63                 |
|                                                                                    | 2,481.09                 | 4,068.56                 |
| <b>Total (a+b+c+d+e)</b>                                                           | <b>71,031.43</b>         | <b>72,521.48</b>         |
| Non-Controlling Interest                                                           |                          |                          |
| - Balance as per last financial statements                                         | 1,246.96                 | 1,153.94                 |
| - Profit/(Loss) for the year                                                       | 15.04                    | 2.60                     |
| - Transaction with non controlling interest                                        | -                        | 90.41                    |
|                                                                                    | 1,261.99                 | 1,246.96                 |

## B. Nature and purpose of reserves

- (a) Capital Reserve: Reserve represents the difference between fair value of the net assets transferred to the Holding Company in the course of business combinations and the consideration paid for such combinations.
- (b) Share Premium: The amount received in excess of face value of the equity shares is recognised as Share Premium.
- (c) Retained earnings: It represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. It can be utilized in accordance with the provisions of the Companies Act, 2013.
- (d) General Reserve: The balance in the General Reserve has been transferred from the Transferee Company pursuant to the Scheme of Amalgamation.
- (e) Equity Instruments through Other Comprehensive Income  
The Group has elected to recognise changes in the fair value of investment in equity shares of other companies (quoted and unquoted) through OCI. These changes are accumulated within the FVOCI equity investment reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

## 17 Borrowings

|                             | As at<br>31st March 2025 | As at<br>31st March 2024 |
|-----------------------------|--------------------------|--------------------------|
| Current                     |                          |                          |
| Secured - at amortised cost |                          |                          |
| Borrowings                  |                          |                          |
| - Cash credit (a)           | 3,060.06                 | 1,002.69                 |
|                             | 3,060.06                 | 1,002.69                 |
| Unsecured                   |                          |                          |
| - Inter corporate deposits  | 151.00                   | 58.33                    |
|                             | 151.00                   | 58.33                    |
| <b>Total</b>                | <b>3,211.06</b>          | <b>1,061.02</b>          |

- a. The Holding Company has been sanctioned a Cash Credit facility with a limit of ₹5,000.00 lakhs by Kotak Mahindra Limited, which is renewed on an annual basis.

## Security

## i) Primary Security

- a) Exclusive charges of all existing and future current assets including receivables and inventory of the holding company.
- b) Exclusive charge by way of Hypothecation of Plant & Machinery of holding company at Unit-I Village- Haldiaguna & Balisuan, P.O. Govardhan, Dist- Keonjhar, Odisha

## ii) Collateral Security

- Exclusive mortgage of factory land and building located at Village: Haldiaguna, P.O. Govardhan, Dist: Keonjhar, Odisha and at Village: Balisuan, P.O. Govardhan, Dist: Keonjhar, Odisha owned by the holding company

## iii) Guarantees

- Personal Guarantees of Mr. Manish Agrawal and Mr. Suresh Agrawal

- b. HDFC Bank, New Allipore branch has sanctioned Over Draft limit of Rs. 3.80 Cr against Fixed Deposit of Rs. 4 Cr. to the holding company

## 18 Provisions

## (A) Non-current

|                                              | As at<br>31st March 2025 | As at<br>31st March 2024 |
|----------------------------------------------|--------------------------|--------------------------|
| Provisions for employee benefits             |                          |                          |
| - Provision for gratuity (net of plan asset) | 101.55                   | 62.51                    |
| - Provision for leave encashment             | 74.30                    | 66.97                    |
| <b>Total</b>                                 | <b>175.85</b>            | <b>129.48</b>            |

## (B) Current

|                                              | As at<br>31st March 2025 | As at<br>31st March 2024 |
|----------------------------------------------|--------------------------|--------------------------|
| Provisions for employee benefits             |                          |                          |
| - Provision for gratuity (net of plan asset) | 51.31                    | 38.21                    |
| - Provision for leave encashment             | 6.58                     | 5.22                     |
| <b>Total</b>                                 | <b>57.89</b>             | <b>43.44</b>             |





**MSP SPONGE IRON LIMITED**

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Notes to Consolidated Financial Statement for the year ended 31st March 2025

(₹ in lakhs)

| 19 Trade payables                                                              | As at           | As at           |
|--------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                | 31st March 2025 | 31st March 2024 |
| (a) Total outstanding dues of micro and small enterprises                      | 246.56          | 238.43          |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 2,036.51        | 3,276.18        |
|                                                                                | <b>2,283.08</b> | <b>3,514.61</b> |

19.1 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent ascertained and as per notification number GSR 679 (E) dated 4th September, 2015.

**Dues to Micro And Small Enterprises**

| Particulars                                                                                                                                                                                                                       | As at           | As at           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                                                                                                                                                                   | 31st March 2025 | 31st March 2024 |
| a. The principal amount remaining unpaid to any supplier as at the end of each accounting year;                                                                                                                                   | 246.56          | 238.61          |
| b. The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;                                                                                                                               | 0.32            | 3.24            |
| c. The total amount paid by the buyer, including interest under MSMED Act, 2006                                                                                                                                                   | -               | -               |
| d. The amount of interest accrued and remaining unpaid at the end of accounting year; and                                                                                                                                         | 1.07            | -               |
| e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | 0.32            | 3.24            |

The above information has been determined to the extent such parties have been identified on the basis of information available with the company.  
Interest of Rs. 0.31 lakhs (3.24 lakhs) on MSE grouped under other financial liabilities

**19.2 Trade Payables ageing schedule**

| Particulars                   | Outstanding as on 31st March 2025 from due date of payment |          |                     |              |              |                   | Total           |
|-------------------------------|------------------------------------------------------------|----------|---------------------|--------------|--------------|-------------------|-----------------|
|                               | Unbilled                                                   | Not Due  | Less than to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years |                 |
| (i) Undisputed dues - MSME    |                                                            |          | 244.28              | 2.28         |              |                   | 246.56          |
| (ii) Undisputed dues - Others | 70.11                                                      |          | 1,880.26            | 28.24        | 10.81        | 47.09             | 2,036.51        |
| (iii) Disputed dues - MSME    |                                                            |          |                     |              |              |                   | -               |
| (iv) Disputed dues - Others   |                                                            |          |                     |              |              |                   | -               |
| <b>Total</b>                  | <b>70.11</b>                                               | <b>-</b> | <b>2,124.54</b>     | <b>30.52</b> | <b>10.81</b> | <b>47.09</b>      | <b>2,283.08</b> |

| Particulars                   | Outstanding as on 31st March 2024 from due date of payment |          |                     |              |              |                   | Total           |
|-------------------------------|------------------------------------------------------------|----------|---------------------|--------------|--------------|-------------------|-----------------|
|                               | Unbilled                                                   | Not Due  | Less than to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years |                 |
| (i) Undisputed dues - MSME    |                                                            |          | 240.97              |              |              | 0.70              | 241.67          |
| (ii) Undisputed dues - Others | 189.24                                                     |          | 2,980.54            | 39.70        | 14.91        | 48.56             | 3,272.94        |
| (iii) Disputed dues - MSME    |                                                            |          |                     |              |              |                   | -               |
| (iv) Disputed dues - Others   |                                                            |          |                     |              |              |                   | -               |
| <b>Total</b>                  | <b>189.24</b>                                              | <b>-</b> | <b>3,221.51</b>     | <b>39.70</b> | <b>14.91</b> | <b>49.26</b>      | <b>3,514.61</b> |

| 20 Other financial liabilities             | As at           | As at           |
|--------------------------------------------|-----------------|-----------------|
|                                            | 31st March 2025 | 31st March 2024 |
| Current                                    |                 |                 |
| Interest accrued but not due on Borrowings | 40.99           | 0.80            |
| Others                                     |                 |                 |
| - Creditor for capital goods               | 424.54          | 209.55          |
| - Security deposit                         | 89.92           | 73.52           |
| - Other Payables                           | 1,792.61        | 2,105.91        |
| <b>Total</b>                               | <b>2,348.05</b> | <b>2,389.79</b> |

| 21 Other current liabilities | As at           | As at           |
|------------------------------|-----------------|-----------------|
|                              | 31st March 2025 | 31st March 2024 |
| Advance from customers       | 461.77          | 973.06          |
| Statutory Liabilities        | 279.11          | 667.13          |
| <b>Total</b>                 | <b>740.89</b>   | <b>1,640.18</b> |

| 22 Current Tax Liabilities (Net) | As at           | As at           |
|----------------------------------|-----------------|-----------------|
|                                  | 31st March 2025 | 31st March 2024 |
| Current Tax (net of provision)   |                 | 74.72           |
| <b>Total</b>                     | <b>-</b>        | <b>74.72</b>    |

| 23 Revenue from operations           | As at              | As at              |
|--------------------------------------|--------------------|--------------------|
|                                      | 31st March 2025    | 31st March 2024    |
| Revenue from sale of products        | 1,18,600.33        | 1,17,427.86        |
| Other operating income               |                    |                    |
| - Scrap and by products              | 1,790.64           | 1,316.36           |
| - Material Handling Charges Received | 243.95             | 534.51             |
| - Conversion Charges Received        | -                  | 1,958.88           |
| - Others                             | 81.57              | 79.55              |
| <b>Total</b>                         | <b>1,20,716.49</b> | <b>1,21,327.15</b> |





**MSP SPONGE IRON LIMITED**
**CIN:U27102WB1999PLC114830**
**Notes to Consolidated Financial Statement for the year ended 31st March 2025**
**(₹ in lakhs)**

| 24 Other Income                                                                   | Year ended<br>31st March 2025 | Year ended<br>31st March 2024 |
|-----------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| Interest Income                                                                   |                               |                               |
| - On Unsecured Loan                                                               | 1,512.98                      | 746.09                        |
| - On fixed deposits and others                                                    | 127.09                        | 151.82                        |
| - On Debentures                                                                   | 1.18                          | 1.18                          |
| - Others                                                                          | 10.23                         | -                             |
| Dividend Income                                                                   | 10.63                         | 10.01                         |
| Other non-operating Income                                                        |                               |                               |
| - Profit on Sale of Shares                                                        | 60.00                         | -15.71                        |
| - Fair value changes on investments measured at fair value through profit or loss | 37.40                         | 729.75                        |
| - Service Charge for issuance of Corporate Guarantee                              | 75.69                         | 45.14                         |
| - Sundry Balances Written Back                                                    | 211.40                        | -                             |
| - Others                                                                          | 19.08                         | 303.88                        |
| <b>Total</b>                                                                      | <b>2,065.68</b>               | <b>1,972.17</b>               |

| 25 Cost of materials consumed                           | Year ended<br>31st March 2025 | Year ended<br>31st March 2024 |
|---------------------------------------------------------|-------------------------------|-------------------------------|
| Inventory of raw materials at the beginning of the year | 3,454.73                      | 6,080.18                      |
| Add: Purchases during the year                          | 94,627.41                     | 94,734.94                     |
|                                                         | 98,082.14                     | 1,00,815.12                   |
| Less: Inventory of raw materials at the end of the year | (4,405.42)                    | (3,454.73)                    |
| <b>Cost of materials consumed</b>                       | <b>93,676.72</b>              | <b>97,360.39</b>              |

| 26 Change in Inventories of finished goods and work-in-progress     | Year ended<br>31st March 2025 | Year ended<br>31st March 2024 |
|---------------------------------------------------------------------|-------------------------------|-------------------------------|
| Opening finished goods                                              | 5,869.90                      | 5,395.27                      |
| Opening Work-in-progress                                            | 9.56                          | 117.34                        |
|                                                                     | 5,879.46                      | 5,512.61                      |
| Less Inventories at the end of the year                             |                               |                               |
| Closing finished goods                                              | 1,975.45                      | 5,869.90                      |
| Closing Work-in-progress                                            | 204.02                        | 9.56                          |
|                                                                     | 2,179.47                      | 5,879.46                      |
| Less: Finished Goods transferred to Capital work-in-projects (CWIP) | 3.60                          | 100.30                        |
| <b>(increase)/Decrease In Inventories</b>                           | <b>3,696.38</b>               | <b>(467.16)</b>               |

| 27 Employee benefits expense                               | Year ended<br>31st March 2025 | Year ended<br>31st March 2024 |
|------------------------------------------------------------|-------------------------------|-------------------------------|
| Salaries, Wages & Bonus (including Directors Remuneration) | 3,458.52                      | 3,238.16                      |
| Contribution to Provident and Other Funds                  | 149.77                        | 151.59                        |
| Leave Encashment (refer note 34)                           | 13.34                         | 4.76                          |
| Gratuity (refer note 34)                                   | 54.75                         | 56.62                         |
| Staff Welfare Expenses                                     | 71.67                         | 53.77                         |
| <b>Total</b>                                               | <b>3,748.05</b>               | <b>3,504.90</b>               |

| 28 Finance costs                     | Year ended<br>31st March 2025 | Year ended<br>31st March 2024 |
|--------------------------------------|-------------------------------|-------------------------------|
| Interest Expense                     | 248.74                        | 77.39                         |
| Bank Charges & Other Borrowing Costs | 3.77                          | 56.68                         |
| <b>Total</b>                         | <b>252.52</b>                 | <b>134.07</b>                 |

| Details of Interest Expenses    | 31st March 2025 | 31st March 2024 |
|---------------------------------|-----------------|-----------------|
| - Cash Credit Loan              | 237.59          | 4.20            |
| - Interest on Others            | 5.48            | -               |
| - Interest on lease liabilities | 1.52            | -               |
| - Debenture                     | -               | 1.52            |
| - Interest on Unsecured Loan    | 4.15            | 71.66           |
| <b>Total</b>                    | <b>248.74</b>   | <b>77.39</b>    |

| 29 Depreciation and amortization expense | Year ended<br>31st March 2025 | Year ended<br>31st March 2024 |
|------------------------------------------|-------------------------------|-------------------------------|
| Depreciation of tangible assets          | 1,949.44                      | 2,011.56                      |
| Amortization of intangible assets        | 9.92                          | 8.29                          |
|                                          | 1,959.36                      | 2,019.85                      |





## MSP SPONGE IRON LIMITED

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Notes to Consolidated Financial Statement for the year ended 31st March 2025

('₹ in lakhs)

| 30 Other expenses                  | Year ended       |                  |
|------------------------------------|------------------|------------------|
|                                    | 31st March 2025  | 31st March 2024  |
| Consumption of stores and spares   | 3,855.22         | 5,478.75         |
| Power and fuel consumed            | 7,861.44         | 6,905.82         |
| Equipment hire charges             | 281.14           | 232.71           |
| Operation and Running Expenses     | 2,977.18         | 2,802.27         |
| Repair and maintenance of          |                  |                  |
| - Building                         | 21.65            | 17.79            |
| - Plant and machinery              | 125.22           | 153.90           |
| - Others                           | 74.69            | 76.68            |
| Material handling charges          | 565.67           | 299.12           |
| Vehicle running and maintenance    | 148.55           | 170.07           |
| Corporate Social Responsibility    | 139.86           | 209.64           |
| Travelling and conveyance          | 172.61           | 99.04            |
| Payment to Auditors                | 6.20             | 5.08             |
| Rent                               | 139.78           | 112.16           |
| Rates and taxes                    | 495.69           | 470.99           |
| Testing charges                    | 8.16             | 22.36            |
| Legal and professional fees        | 228.05           | 183.54           |
| Provision for doubtful debts       | 85.19            | 4.30             |
| Advertisement and sales promotion  | 353.54           | 198.27           |
| Freight outward                    | 304.05           | 528.58           |
| Exchange differences (net)         | 6.03             | 7.79             |
| Sales and distribution expenses    | 345.57           | 485.13           |
| Dust, dumping and shifting expense | 214.28           | 164.50           |
| Security expenses                  | 194.35           | 206.81           |
| Insurance charges                  | 208.09           | 232.06           |
| Telephone and Mobile expenses      | 7.99             | 8.75             |
| Sundry Balance Written off         | 33.33            | -                |
| Miscellaneous expenses             | 247.51           | 216.06           |
|                                    | <b>19,101.03</b> | <b>19,292.17</b> |

| 30.1 Payment to Auditors as: | Year ended      |                 |
|------------------------------|-----------------|-----------------|
|                              | 31st March 2025 | 31st March 2024 |
| Statutory Audit fees         | 4.30            | 3.65            |
| Tax audit fees               | 1.20            | 0.60            |
| Certification fees           | 0.20            | 0.48            |
| Cost audit fees              | 0.50            | 0.35            |
| Total                        | <b>6.20</b>     | <b>5.08</b>     |

## 31 Income taxes

## A. Amount related to profit or loss

|                                                                           | Year ended      |                 |
|---------------------------------------------------------------------------|-----------------|-----------------|
|                                                                           | 31st March 2025 | 31st March 2024 |
| Current tax                                                               |                 |                 |
| Current period                                                            | 210.55          | 315.54          |
| Income Tax for Previous year                                              | (14.64)         | 3.32            |
|                                                                           | <b>A</b>        | <b>195.91</b>   |
| B. Deferred tax                                                           |                 |                 |
| Deferred tax for the year                                                 | 1.64            | (341.67)        |
|                                                                           | <b>B</b>        | <b>1.64</b>     |
|                                                                           |                 | <b>(341.67)</b> |
| <b>Tax expense reported in the Statement of Profit and Loss [(A)+(B)]</b> | <b>197.55</b>   | <b>(22.80)</b>  |

## 31.1 Income Taxes relating to continuing operations

## A. Income Tax Recognised in Profit or Loss

Numerical reconciliation of tax expense applicable to profit before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

| Particulars                                                                  | Year ended      |                 |
|------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                              | 31st March 2025 | 31st March 2024 |
| Profit before tax                                                            | 334.21          | 1,455.10        |
| Income tax expense                                                           | 75.77           | 394.80          |
| Add:                                                                         |                 |                 |
| Non - deductible expenses for tax purposes - CSR Exp                         | 35.20           | 52.76           |
| Non - deductible expenses for tax purposes - Other                           | 28.52           | 6.73            |
| Depreciation as per Companies Act                                            | 480.39          | 492.23          |
| Tax effect of expenses that are not deductible in determining taxable profit | 544.11          | 551.72          |
| Less:                                                                        |                 |                 |
| Depreciation as per Income Tax                                               | 414.36          | 405.90          |
| Deferred tax effect relating to depreciation                                 | (29.54)         | (17.87)         |
| Comprehensive Income - FVTPL                                                 | 9.41            | 183.66          |
| Long Term Capital Gain                                                       | 15.10           | 59.29           |
| Tax effect of income that is exempt from taxation                            | 409.33          | 630.98          |
| Income tax expense recognised in profit or loss                              | <b>210.55</b>   | <b>315.54</b>   |

NOTE : MSP Sponge Iron Ltd, the holding company has opted for sec 115BAA and the corporate tax rate of 25.16% (Tax rate 22% + surcharge 10% + Cess @ 4%) where as the Subsidiary Company, Indoves Industrial Pvt. Ltd has opted for Sec. 115BAB. The tax rate used for the year is the corporate tax rate of 17.16% (Tax rate 15% + surcharge 10% + Cess @ 4%) payable on taxable profits under the Income Tax Act, 1961.





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(₹ in lakhs)

**32 Earnings/ (loss) per share (EPS) (Ind AS 33)**
**A. Basic earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of earnings per share calculation are as follows:

| Earnings per equity share                                          | As at<br>31st March 2025 | As at<br>31st March 2024 |
|--------------------------------------------------------------------|--------------------------|--------------------------|
| Earnings per share has been computed as under:                     |                          |                          |
| (a) Profit for the year                                            | 113.30                   | 1,466.59                 |
| (b) Weighted average number of ordinary shares (basic and diluted) | 332,29,976               | 332,29,976               |
| (c) Earnings per share on profit for the year                      |                          |                          |
| - Basic EPS (in Rs.)                                               | 0.34                     | 4.41                     |
| - Diluted EPS (in Rs.)                                             | 0.34                     | 4.41                     |

**33 Segment Information**

The Group is engaged in manufacturing of "Iron and Steel". Consequent to the adoption of IND-AS, the Group has identified one operating segment viz, "Iron and Steel", which is consistent with the internal reporting provided to the managing director who is the chief operating decision maker of the Group.

| Particulars   | Revenue<br>(by location of operations) |                               | Non-current assets<br>(see note below) |                               |
|---------------|----------------------------------------|-------------------------------|----------------------------------------|-------------------------------|
|               | Year ended<br>31st March 2025          | Year ended<br>31st March 2024 | Year ended<br>31st March 2025          | Year ended<br>31st March 2024 |
| Country       |                                        |                               |                                        |                               |
| Within India  | 1,20,716.49                            | 1,21,327.15                   | 45,523.56                              | 42,783.77                     |
| Outside India | -                                      | -                             | -                                      | -                             |
| Total         | 1,20,716.49                            | 1,21,327.15                   | 41,953.80                              | 42,783.77                     |

Note: Non-current assets exclude financial assets, deferred tax assets and post-employment benefit assets.

**34 Disclosure pursuant to Indian Accounting Standard - 19 "Employee Benefits"**

In the Consolidated Financial Statements, the actuarial valuation of employee benefit obligations has been carried out only for the Holding Company. No separate actuarial valuation has been undertaken for the Subsidiary Company. Accordingly, the figures relating to actuarial valuation disclosed in the Consolidated Balance Sheet represent those of the Parent Company alone.

**(a) Defined contribution plans:**

Contribution to defined contribution plans, recognised as expense for the year are as under:

| Particulars                               | Year ended<br>31st March 2025 | Year ended<br>31st March 2024 |
|-------------------------------------------|-------------------------------|-------------------------------|
| Employer's contribution to Provident Fund | 123.68                        | 121.06                        |
| Employer's contribution to ESIC           | 15.80                         | 19.07                         |
|                                           | 139.47                        | 140.13                        |

**(b) Defined benefit plans:**

Statement of Assets and Liabilities for defined benefit obligation

|                                             | Leave Encashment         |                          | Gratuity (Funded)        |                          |
|---------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                             | As at<br>31st March 2025 | As at<br>31st March 2024 | As at<br>31st March 2025 | As at<br>31st March 2024 |
| Net defined benefit asset                   | -                        | -                        | (488.88)                 | (434.30)                 |
| Net defined benefit obligation              | 80.88                    | 72.19                    | 641.74                   | 535.02                   |
| Total employee benefit (liabilities)/Assets | 80.88                    | 72.19                    | 152.86                   | 100.72                   |
| Non-current                                 | 74.30                    | 66.97                    | 101.55                   | 62.51                    |
| Current                                     | 6.58                     | 5.22                     | 51.31                    | 38.21                    |

**Defined benefits - Earned Leave Encashment**

The Holding Company's Earned leave plan for its employees is non-funded.

**Defined benefits - Gratuity (Funded)**

The Holding Company's gratuity benefit scheme for its employees in India is a defined benefit plan (funded). The Holding Company has funded through Life Insurance Corporation of India under the "New Group Gratuity Cash Accumulation Plan".

The Holding Company provides gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the holding company makes contributions to recognised funds in India. The Holding Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimation of expected gratuity payments.

These defined benefit plans expose the Holding Company to actuarial risks, interest risk and market (investment) risk.

**Inherent risk**

The plan is defined benefit in nature which is sponsored by the Holding Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyze present value of defined benefit obligations, expense recognised in statement of Profit and Loss, actuarial assumptions and other information.





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**Reconciliation of the net defined benefit (asset)/ liability:**
**(i) Reconciliation of present value of defined benefit obligation**

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset / liability and its components:

|                                         | Leave Encashment |                 | Gratuity (Funded) |                 |
|-----------------------------------------|------------------|-----------------|-------------------|-----------------|
|                                         | As at            | As at           | As at             | As at           |
|                                         | 31st March 2025  | 31st March 2024 | 31st March 2025   | 31st March 2024 |
| Balance at the beginning of the year    | 72.19            | 74.04           | 535.02            | 511.38          |
| Current service cost                    | 6.68             | 6.42            | 47.56             | 47.60           |
| Interest cost                           | 5.16             | 5.49            | 38.23             | 37.92           |
| Actuarial (gains)/ losses arising from: |                  |                 |                   |                 |
| - financial assumptions                 | 2.95             | (4.97)          | 22.39             | (35.17)         |
| - demographic assumptions               | -                | -               | -                 | -               |
| - experience adjustment                 | (1.44)           | (2.18)          | 26.11             | 13.34           |
| Benefits paid                           | (4.65)           | (6.60)          | (27.56)           | (40.05)         |
| Past service cost                       | -                | -               | -                 | -               |
| Balance at the end of the year          | 80.88            | 72.19           | 641.74            | 535.02          |

**(ii) Net (asset)/ liability recognised in the Balance Sheet**

|                                                      | Leave Encashment |                 | Gratuity (Funded) |                 |
|------------------------------------------------------|------------------|-----------------|-------------------|-----------------|
|                                                      | As at            | As at           | As at             | As at           |
|                                                      | 31st March 2025  | 31st March 2024 | 31st March 2025   | 31st March 2024 |
| Present value of defined benefit obligation          | 80.88            | 72.19           | 641.74            | 535.02          |
| Fair value of plan assets                            | -                | -               | (488.88)          | (434.30)        |
| Net defined benefit obligations in the Balance Sheet | 80.88            | 72.19           | 152.86            | 100.72          |

**(iii) Expense recognised in Profit or Loss**

|                                                                    | Leave Encashment |                 | Gratuity (Funded) |                 |
|--------------------------------------------------------------------|------------------|-----------------|-------------------|-----------------|
|                                                                    | As at            | As at           | As at             | As at           |
|                                                                    | 31st March 2025  | 31st March 2024 | 31st March 2025   | 31st March 2024 |
| Current service cost                                               | 6.68             | 6.42            | 47.56             | 47.60           |
| Interest cost                                                      | 5.16             | 5.49            | 7.20              | 9.03            |
| Expected return on plan assets                                     | -                | -               | -                 | -               |
| Past service cost                                                  | -                | -               | -                 | -               |
| Actuarial loss/ (gain) arising on defined benefit obligation from: |                  |                 |                   |                 |
| - demographic assumptions                                          | -                | -               | -                 | -               |
| - financial assumptions                                            | 2.95             | (4.97)          | -                 | -               |
| - experience adjustment                                            | (1.44)           | (2.18)          | -                 | -               |
| Total Defined Benefit Cost Recognised in Profit and Loss           | 13.34            | 4.76            | 54.75             | 56.62           |

**(iv) Remeasurements recognised in Other Comprehensive Income**

|                                                                        | Gratuity (Funded) |                 |
|------------------------------------------------------------------------|-------------------|-----------------|
|                                                                        | As at             | As at           |
|                                                                        | 31st March 2025   | 31st March 2024 |
| (a) Actuarial loss/ (gain) arising on defined benefit obligation from: |                   |                 |
| - Demographic assumptions                                              | -                 | -               |
| - Financial assumptions                                                | 22.39             | (35.17)         |
| - Experience adjustment                                                | 26.11             | 13.34           |
| (b) Actual return on plan asset less interest on plan asset            | 3.25              | 4.80            |
| Amount recognised in Other Comprehensive Income                        | 51.75             | (17.03)         |

**(v) Reconciliation of present value of plan assets**

The following table shows a reconciliation from the opening balances to the closing balances for the Planed Assets and its components

|                                                         | Gratuity (Funded) |                 |
|---------------------------------------------------------|-------------------|-----------------|
|                                                         | As at             | As at           |
|                                                         | 31st March 2025   | 31st March 2024 |
| Balance at the beginning of the year                    | 434.30            | 389.64          |
| Investment income                                       | 31.03             | 28.89           |
| Actual return on plan asset less interest on plan asset | (3.25)            | (4.80)          |
| Contributions by the employer                           | 54.36             | 60.61           |
| Benefits paid                                           | (27.56)           | (40.05)         |
| Balance at the end of the year                          | 488.88            | 434.30          |

**(vi) Actuarial assumptions**

|                                  | Leave Encashment |                 | Gratuity (Funded) |                 |
|----------------------------------|------------------|-----------------|-------------------|-----------------|
|                                  | As at            | As at           | As at             | As at           |
|                                  | 31st March 2025  | 31st March 2024 | 31st March 2025   | 31st March 2024 |
| Discount rate                    | 6.70%            | 7.15%           | 6.70%             | 7.15%           |
| Expected rate of salary increase | 5.00%            | 5.00%           | 5.00%             | 5.00%           |
| Retirement age (years)           | 60 Years         | 60 Years        | 60 Years          | 60 Years        |
| Average future service           | 16.98            | 17.59           | 1698.00%          | 17.59           |

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

**(vii) Sensitivity analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

| Particulars                       | Leave Encashment |                 | Gratuity (Funded) |                 |
|-----------------------------------|------------------|-----------------|-------------------|-----------------|
|                                   | As at            | As at           | As at             | As at           |
|                                   | 31st March 2025  | 31st March 2024 | 31st March 2025   | 31st March 2024 |
| Defined Benefit Obligation (Base) | 80.88            | 72.19           | 641.74            | 535.02          |





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| Particulars                                    | Leave Encashment |                 |                 |                 | Gratuity (Funded) |                 |                 |                 |
|------------------------------------------------|------------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|
|                                                | As at            |                 | As at           |                 | As at             |                 | As at           |                 |
|                                                | 31st March 2025  | 31st March 2024 | 31st March 2025 | 31st March 2024 | 31st March 2025   | 31st March 2024 | 31st March 2025 | 31st March 2024 |
| Discount Rate (- / + 1%)                       | 88.14            | 74.54           | 78.81           | 66.42           | 696.63            | 593.50          | 582.04          | 493.77          |
| (% change compared to base due to sensitivity) | 9.00%            | -7.80%          | 9.20%           | -8.00%          | 8.60%             | -7.50%          | 8.80%           | -7.70%          |
| Salary Growth Rate (- / + 1%)                  | 74.39            | 88.19           | 66.26           | 78.89           | 592.33            | 696.73          | 492.60          | 582.41          |
| (% change compared to base due to sensitivity) | -8.00%           | 9.00%           | -8.20%          | 9.30%           | -7.70%            | 8.60%           | -7.90%          | 8.90%           |
| Attrition Rate (- / + 50% of attrition rates)  | 78.57            | 82.66           | 69.38           | 74.35           | 625.91            | 653.96          | 516.70          | 549.16          |
| (% change compared to base due to sensitivity) | -2.90%           | 2.20%           | -3.90%          | 3.00%           | -2.50%            | 1.90%           | -3.40%          | 2.60%           |
| Mortality Rate (- / + 10% of mortality rates)  | 80.85            | 80.91           | 72.16           | 72.23           | 641.51            | 641.97          | 534.77          | 535.27          |
| (% change compared to base due to sensitivity) | 0.00%            | 0.00%           | 0.00%           | 0.00%           | 0.00%             | 0.00%           | 0.00%           | 0.00%           |

|                                                                | Leave Encashment |                 | Gratuity (Funded) |                 |
|----------------------------------------------------------------|------------------|-----------------|-------------------|-----------------|
|                                                                | As at            | As at           | As at             | As at           |
|                                                                | 31st March 2025  | 31st March 2024 | 31st March 2025   | 31st March 2024 |
| (viii) Weighted average duration of defined benefit obligation | 8 Years          | 9 Years         | 8 Years           | 8 Years         |
| (ix) Maturity profile of defined benefit obligation            |                  |                 |                   |                 |
| Within the next 12 months                                      | 6.58             | 5.22            | 51.31             | 38.21           |
| Between 2 and 5 years                                          | 28.16            | 26.43           | 239.06            | 204.63          |
| Between 6 and 10 years                                         | 42.71            | 38.00           | 339.56            | 288.43          |
| More than 10 years                                             | 81.17            | 82.23           | 586.70            | 555.41          |

**35 Related Party Disclosures (Ind AS-24)**

In accordance with the requirements of IND AS 24, on Related Party Disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are provided below.

**a) Key Managerial Personnel & their relatives**

| Name                                         | Designation / Nature of Relationship    |
|----------------------------------------------|-----------------------------------------|
| Mr. Manish Agrawal                           | Managing Director                       |
| Mr. Suresh Kumar Agrawal                     | Non Executive Promoter Director         |
| Mr. Pradip Kumar Dey                         | Executive Director                      |
| Mrs. Sunita Mohanty                          | Non Executive Independent Director      |
| Mrs. Aparna Kar                              | Non Executive Independent Director      |
| Mr. Prashant Pandey                          | Non Executive Independent Director      |
| Mr. Rakesh Kumar Swain                       | Non Executive Independent Director      |
| Mr. Subhash Agarwal                          | Chief Financial Officer                 |
| Mrs. Vasudha Agarwal                         | Company Secretary                       |
| <b>Relatives of Key Management Personnel</b> |                                         |
| Mr. Purn Mal Agrawal                         | Father of Manish Agrawal                |
| Mrs. Kiran Agrawal                           | Mother of Manish Agrawal                |
| Mrs. Richa Agrawal                           | Wife of Manish Agrawal                  |
| Ms. Priyanka Agrawal                         | Sister of Manish Agrawal                |
| Mr. Saket Agrawal                            | Son of Suresh Kumar Agrawal             |
| Mr. Pranay Agarwal                           | Son of Suresh Kumar Agrawal             |
| Mrs. Nisha Agrawal                           | Wife of Suresh Kumar Agrawal            |
| Mrs. Ekta Agrawal                            | Daughter-in-law of Suresh Kumar Agrawal |
| Mrs. Dishha Agarwal                          | Daughter-in-law of Suresh Kumar Agrawal |

**b) Enterprises owned or significantly influenced by key management personnel or their relatives**

|                                                |                                          |
|------------------------------------------------|------------------------------------------|
| Admirable Realtors Private Limited             | Prateek Mines & Minerals Private Limited |
| Rama Alloys Private Limited                    | Procheta Consultants Private Limited     |
| Howrah Gases Limited                           | Rakhi Vinimay Private Limited            |
| Ilex Private Limited                           | Sampat Marketing Co. Private Limited     |
| Jagran Vyapaar Private Limited                 | Shree Vinay Finvest Private Limited      |
| Jaik Leasing And Commercial Investment Limited | Veena Vyapaar Private Limited            |
| Khatupati Energy Limited                       | Suresh Nisha HUF                         |
| M. A. Hire Purchase Private Limited            | Suresh Saket HUF                         |
| Mayur Media Services Private Limited           | Saket Nisha HUF                          |
| Orbit Dealcom Private Limited                  | Suresh Pranay HUF                        |
| MSP Cement Limited                             | Puranmal Kiran HUF                       |
| MSP Mines & Minerals Limited                   | Manish Kiran HUF                         |
| MSP Steel and Power Limited                    |                                          |

Disclosure in respect of significant transactions of the same type with related parties during the year

| Nature of Transactions (including taxes & duties where ever applicable) | 2024-25   | 2023-24   |
|-------------------------------------------------------------------------|-----------|-----------|
| Sale of goods and services                                              |           |           |
| MSP Steel and Power Limited                                             | 18,058.91 | 16,729.52 |
| Revenue from Corporate Guarantee                                        |           |           |
| MSP Steel and Power Limited                                             | 89.32     | 53.27     |





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(₹ in lakhs)

|                                                         |           |          |
|---------------------------------------------------------|-----------|----------|
| <b>Purchase of Raw Material and Components Consumed</b> |           |          |
| MSP Steel and Power Limited                             | 14,194.51 | 7,728.64 |
| Jagran Vyapaar Private Limited                          | 134.82    | 107.48   |
| Shree Vinay Finvest Private Limited                     | 1.88      | -        |
| <b>Security Deposit</b>                                 |           |          |
| Sidhsilver Infraproperties Private Limited              | -         | 22.00    |
| <b>Amount paid by party on behalf of us</b>             |           |          |
| MSP Steel & Power Limited                               | 83.59     | 26.96    |
| MSP Mines & Minerals Limited                            | -         | 1.25     |
| <b>Refund of Advance</b>                                |           |          |
| MSP Mines & Minerals Limited                            | -         | 1,550.00 |
| MSP Cement Limited                                      | 5.00      | -        |
| <b>Amount paid on behalf of party</b>                   |           |          |
| MSP Steel and Power Limited                             | 320.71    | 265.39   |
| <b>Rent Expenses</b>                                    |           |          |
| Nisha Agrawal                                           | 2.88      | 2.88     |
| Richa Agrawal                                           | 2.88      | 2.88     |
| Sidhsilver Infraproperties Private Limited              | 130.53    | 73.89    |
| Jaik Leasing & Commercial Investments Limited           | 25.37     | 31.39    |
| Orbit Dealcom Private Limited                           | 5.31      | -        |
| <b>Vehicle Hire Charges Expenses</b>                    |           |          |
| Jaik Leasing & Commercial Investments Limited           | 7.57      | 7.57     |
| Mayur Media Services Private Limited.                   | 9.66      | 9.66     |
| Suresh Nisha HUF                                        | 3.54      | -        |
| <b>Equipment Hire Charges Expenses</b>                  |           |          |
| Veena Vyapaar Private Limited                           | 3.96      | 3.96     |
| Jagran Vyapaar Private Limited                          | 134.23    | 92.04    |
| Howrah Gases Limited                                    | 33.08     | -        |
| Rama Alloys Private Limited                             | 61.36     | -        |
| Suresh Nisha HUF                                        | 1.89      | -        |
| Suresh Saket HUF                                        | 11.33     | -        |
| Suresh Pranay HUF                                       | 11.33     | -        |
| Puranmal Kiran HUF                                      | 5.90      | -        |
| Manish Kiran HUF                                        | 10.62     | -        |
| Saket Nisha HUF                                         | 1.87      | 11.33    |
| <b>Loading &amp; Handling Charges for Raw Material</b>  |           |          |
| MSP Mines & Minerals Limited                            | 21.24     | 14.16    |
| <b>Loans &amp; Advances Given</b>                       |           |          |
| MSP Cement Limited                                      | -         | 96.00    |
| Jaik Leasing & Commercial Investments Limited           | -         | 10.00    |
| <b>Refund Received Loans &amp; Advances Given</b>       |           |          |
| MSP Cement Limited                                      | -         | 246.00   |
| Jaik Leasing & Commercial Investments Limited           | 9.83      | 10.55    |
| <b>Interest received on Loans &amp; Advances Given</b>  |           |          |
| Jaik Leasing & Commercial Investments Limited           | 0.72      | 0.61     |
| <b>Interest received on Debenture</b>                   |           |          |
| Shree Vinay Finvest Pvt. Ltd.                           | 1.08      | 1.08     |
| <b>Repayment of Loans &amp; Advances Taken</b>          |           |          |
| Credence Vinimay Private Limited                        | -         | 151.03   |
| M. A. Hire Purchase Private Limited                     | -         | 37.09    |
| Howrah Gases Limited                                    | -         | 35.29    |
| Jaik Leasing & Commercial Investments Limited           | -         | 108.10   |
| Shreevadh Mercantiles Private Limited                   | -         | 50.38    |
| <b>Salary Paid to Close Family Members</b>              |           |          |
| Saket Agrawal                                           | 76.68     | 74.43    |
| Ekta Agrawal                                            | -         | 30.00    |
| Richa Agrawal                                           | 60.00     | 30.00    |
| <b>Directors' Remuneration</b>                          |           |          |
| Manish Agrawal                                          | 100.35    | 87.73    |
| Pradip Kumar Dey                                        | 52.00     | 43.06    |
| Suresh Kumar Agrawal                                    | 106.02    | 98.03    |
| <b>Key Managerial Remuneration</b>                      |           |          |
| Vasudha Agarwal                                         | 6.58      | 3.07     |
| Ruchika Mohata                                          | -         | 1.88     |

Balance outstanding at the year end are as follows: (Including taxes &amp; duties where ever applicable)

|                                                     | As at<br>31st March 2025 | As at<br>31st March 2024 |
|-----------------------------------------------------|--------------------------|--------------------------|
| <b>Trade Receivable</b>                             |                          |                          |
| MSP Steel & Power Limited                           | 2,638.46                 | 2,889.47                 |
| <b>Trade Payable</b>                                |                          |                          |
| Jagran Vyapaar Private Limited                      | 11.31                    | 7.54                     |
| Puranmal Kiran HUF                                  | 0.58                     | -                        |
| Rama Alloys Private Limited                         | 7.54                     | -                        |
| MSP Steel & Power Limited                           | 739.24                   | 480.75                   |
| <b>Other Financial Liabilities - Other Payables</b> |                          |                          |
| Nisha Agrawal                                       | 0.22                     | 0.22                     |
| Richa Agrawal                                       | 3.47                     | 3.47                     |
| Ekta Agrawal                                        | -                        | 3.25                     |
| MSP Mines & Minerals Limited                        | 1.74                     | 1.16                     |





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Notes to Consolidated Financial Statement for the year ended 31st March 2025

(₹ in lakhs)

|                                                        |          |          |
|--------------------------------------------------------|----------|----------|
| Veena Vyapaar Private Limited                          | 0.32     | 0.32     |
| Prateek Mines & Minerals Private Limited               | 410.85   | 410.85   |
| Manish Agrawal                                         | 3.60     | 3.60     |
| Suresh Kumar Agrawal                                   | 3.90     | 3.90     |
| Pradip Kumar Dey                                       | 2.48     | 1.81     |
| Saket Agrawal                                          | 2.90     | 2.93     |
| Rakhi Vinimay Private Limited                          | 100.10   | 100.10   |
| Jaik Leasing & Commercial Investments Limited          | 2.77     | 2.51     |
| Sidhsilver Infraproperties Private Limited             | 15.41    | 8.93     |
| Mayur Media Services Private Limited.                  | 0.79     | 0.79     |
| Howrah Gases Limited                                   | 1.93     | -        |
| Orbit Dealcom Private Limited                          | 4.86     | -        |
| Suresh Nisha HUF                                       | 0.29     | -        |
| Suresh Saket HUF                                       | 0.93     | -        |
| Suresh Pranay HUF                                      | 0.93     | -        |
| Manish Kiran HUF                                       | 0.87     | -        |
| <b>Other Financial Asset - Security Deposit</b>        |          |          |
| Sidhsilver Infraproperties Private Limited             | 42.00    | 42.00    |
| Shree Vinay Finvest Pvt. Ltd.                          | 0.97     | 0.97     |
| <b>Loans &amp; Advances Given</b>                      |          |          |
| Jaik Leasing & Commercial Investments Limited          | -        | 10.55    |
| <b>Investments</b>                                     |          |          |
| MSP Steel & Power Limited                              | 6,755.54 | 7,569.37 |
| M.A. Hire Purchase Pvt. Limited                        | 156.77   | 151.09   |
| MSP Mines & Minerals Private Limited                   | 78.30    | 75.29    |
| Howrah Gases Limited                                   | 1.25     | 1.25     |
| Sidhsilver Infraproperties Private Limited - Associate | 171.75   | 250.00   |
| Admirable Realtors Private Limited                     | 1.09     | 1.01     |
| Procheta Consultants Private Limited                   | 12.00    | 20.69    |
| Khatupati Energy Limited                               | 60.70    | 65.91    |
| Jaik Leasing And Commercial Investment Limited         | 552.56   | 1,487.62 |
| Jagran Vyapaar Private Limited                         | 309.38   | 305.40   |
| Shree Vinay Finvest Private Limited - (Debenture)      | 1,075.00 | 1,075.00 |
| Shree Vinay Finvest Private Limited                    | 131.24   | 115.76   |

\* As the future liability for gratuity and compensated encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above.

All decisions relating to the remuneration of the directors are taken by the board of directors of the Company under the recommendation of nomination and remuneration committee and, in accordance with shareholder approval, wherever necessary.

The purchase from related party are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

36 During the year ended March 31, 2025, the Group has not entered into any transactions with companies that have been struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

37 Details of Foreign Currency transaction

|                                                 | As at<br>31st March 2025 | As at<br>31st March 2024 |
|-------------------------------------------------|--------------------------|--------------------------|
| CIF Value of Imported material (Store & Spares) | 287.21                   | 176.09                   |
| CIF Value of Imported material (Raw Material)   | 863.61                   | 270.90                   |
| Subscription / Membership Fees                  | 20.80                    | 9.38                     |

38 Contingent liability

Contingent liabilities comprise of :

|                                                           | As at<br>31st March 2025 | As at<br>31st March 2024 |
|-----------------------------------------------------------|--------------------------|--------------------------|
| Excise & Service Demand pending in Appeal                 | 12.69                    | 12.69                    |
| Income Tax Demand pending in Appeal                       | 540.62                   | 539.09                   |
| VAT & CST Cases pending in Appeal                         | 129.22                   | 192.96                   |
| GST Cases pending in Appeal                               | 259.12                   | 179.69                   |
| <b>Total</b>                                              | <b>941.65</b>            | <b>924.42</b>            |
| <b>Others:</b>                                            |                          |                          |
| Corporate Guarantees Given *                              | -                        | -                        |
| Bank Guarantees given by the banks on behalf of company** | 68.71                    | 138.14                   |
| Tata Steel Long Products Limited***                       | 99.00                    | 99.00                    |
| Letter of Credit ****                                     | 20.00                    | 20.00                    |
|                                                           | <b>187.71</b>            | <b>257.14</b>            |

\* The Holding Company has given corporate guarantee in 2015 on behalf of MSP Steel & Power Ltd to the extent of holding of equity shares in MSP Steel & Power Ltd and have pledged its share with the lenders.

\*\* The Bank has issued Bank Guarantees on behalf of the company. The Group has provided these bank guarantees as security deposit. These guarantees are contingent upon non-performance of contractual obligations by the Group. All Bank Guarantees issued by the bank against 100% margin.

\*\*\* Arbitrator's Award under Appeal at Hon'ble High Court, Kolkata for holding company

\*\*\*\* The holding Company has given letter of credit to F & CAO South Eastern Railway, Bilaspur. These LC was open against 100% margin.

**Capital Commitment**

The capital commitment for the company amounts to ₹ 1,522.95 lakhs with respect to purchase of Plant and Machinery for Captive Power Plant & 350 TPD DRI Klin





## MSP SPONGE IRON LIMITED

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Notes to Consolidated Financial Statement for the year ended 31st March 2025

('₹ in lakhs)

## 39 Notes forming part of the Consolidated Financial Statements

| Name of the Entities in the Group | Net Assets<br>(Total Assets minus Total Liabilities) |            | Share in Profit/ (loss)                 |        | Share in<br>Other Comprehensive Income  |            | Share in Total<br>Comprehensive<br>Income |
|-----------------------------------|------------------------------------------------------|------------|-----------------------------------------|--------|-----------------------------------------|------------|-------------------------------------------|
|                                   | As a % of<br>Consolidated Net<br>Assets              | Amount     | As a % of<br>Consolidated Net<br>Assets | Amount | As a % of<br>Consolidated Net<br>Assets | Amount     | Amount                                    |
| MSP Sponge Iron Ltd.              | 98.96%                                               | 74,832.99  | 55.97%                                  | 71.83  | 100.00%                                 | (1,626.20) | 1,698.03                                  |
| Subsidiaries                      |                                                      |            |                                         |        |                                         |            |                                           |
| Indoves Industrial Pvt. Ltd.      | 6.27%                                                | 4,743.04   | 32.31%                                  | 41.47  |                                         |            | 41.47                                     |
| Non-Controlling Interest          | 1.67%                                                | 1,261.99   | 11.72%                                  | 15.04  |                                         |            | 15.04                                     |
| Inter-Company Eliminations        | -6.91%                                               | (5,221.60) |                                         |        |                                         |            |                                           |
| Grand Total                       | 100.00%                                              | 75,616.42  | 100.00%                                 | 128.34 | 100.00%                                 | (1,626.20) | 1,754.54                                  |

## Goodwill

## Particulars

|                                            | As at<br>31st March 2025 | As at<br>31st March 2024 |
|--------------------------------------------|--------------------------|--------------------------|
| Cost as at beginning of the year           | 122.34                   | 31.92                    |
| Addition relating to acquisitions          | -                        | 90.42                    |
| Cost as at end of the year                 | 122.34                   | 122.34                   |
| Impairment as at beginning of the year     | -                        | -                        |
| Charge for the year                        | -                        | -                        |
| Impairment as at end of the year           | -                        | -                        |
| Net book value as at beginning of the year | 122.34                   | 122.34                   |
| Net book value as at end of the year       | 122.34                   | 122.34                   |

## Summarised financial information of associates is as follows

## Particulars

|                              | As at<br>31st March 2025 | As at<br>31st March 2024 |
|------------------------------|--------------------------|--------------------------|
| Carrying value of investment | -                        | -                        |

## Summary of Balance Sheet of associate

## Particulars

|                         | As at<br>31st March 2025 | As at<br>31st March 2024 |
|-------------------------|--------------------------|--------------------------|
| Assets                  |                          |                          |
| Non Current Assets      | -                        | 2,259.63                 |
| Current Assets          | -                        | 297.69                   |
| Liabilities             |                          |                          |
| Non Current Liabilities | -                        | 1,723.41                 |
| Current Liabilities     | -                        | 176.66                   |
| Equity                  | -                        | 657.24                   |

## Summary of Profit &amp; Loss Statement of associate

## Particulars

|                            | As at<br>31st March 2025 | As at<br>31st March 2024 |
|----------------------------|--------------------------|--------------------------|
| Revenue                    | 51.80                    | 221.89                   |
| Net Profit/(Loss)          | (30.94)                  | (32.39)                  |
| Other Comprehensive Income | -                        | -                        |
| Total Comprehensive Income | (30.94)                  | (32.39)                  |

## Summary of cash flow Statement of associate

## Particulars

|                                                        | As at<br>31st March 2025 | As at<br>31st March 2024 |
|--------------------------------------------------------|--------------------------|--------------------------|
| Cash flows from Operating activities (A)               |                          | (25.05)                  |
| Cash flows from Investing activities (B)               |                          | (746.51)                 |
| Cash Flow from Financing Activities (C)                |                          | 844.79                   |
| Net Increase in Cash and Cash Equivalents (A+ B+ C)    | -                        | 73.23                    |
| Cash and Cash Equivalents at the beginning of the year |                          | 5.21                     |
| Cash and Cash Equivalents at the end of the year       | -                        | 78.44                    |

During the year, the Company has reclassified its investment in Sidhsilver Infraproperties Pvt. Ltd. from Investment in Associate to Non-Current Investment pursuant to the loss of significant influence over the said entity.

Sidhsilver Infraproperties Pvt. Ltd. has issued equity shares by private placement due to which our percentage of shareholding has been reduced from 26.90% to 16.35%. Hence, the company is no longer associate of MSP Sponge Iron Limited.

Accordingly, the investment has been accounted for in accordance with Ind AS 109 – Financial Instruments and is now measured at fair value through other comprehensive income (FVOCI)

## 40 Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

## Risk management framework

The Group's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group's principal financial assets include trade and other receivables, and cash & cash equivalents that derive directly from its operations.





The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

(i) Credit risk

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group receivables from customers. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank. The Group has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivable

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Exposure to credit risks

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below :

| Particulars                     | Year ended<br>31st March 2025 |           | Year ended<br>31st March 2024 |           |
|---------------------------------|-------------------------------|-----------|-------------------------------|-----------|
|                                 | %                             | Amount    | %                             | Amount    |
| Revenue from top customer       | 12.74%                        | 15,375.38 | 13.29%                        | 16,127.43 |
| Revenue from top five customers | 27.21%                        | 32,847.88 | 26.67%                        | 32,363.64 |

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments at the reporting date based on contractual undiscounted payments.

| 31 March 2025               | 0- 1 year | 1-5 years | > 5 years | Total    |
|-----------------------------|-----------|-----------|-----------|----------|
| Borrowings                  | 3,211.06  | -         | -         | 3,211.06 |
| Trade payables              | 2,283.08  | -         | -         | 2,283.08 |
| Other financial liabilities | 2,348.05  | -         | -         | 2,348.05 |

| 31 March 2024               | Less than 1 year | 1-5 years | > 5 years | Total    |
|-----------------------------|------------------|-----------|-----------|----------|
| Borrowings                  | 1,061.02         | -         | -         | 1,061.02 |
| Trade payables              | 3,514.61         | -         | -         | 3,514.61 |
| Other financial liabilities | 2,389.79         | -         | -         | 2,389.79 |

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, receivables, payables and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate is related primarily to the Group's short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars               | 31st March 2025 | 31st March 2024 |
|---------------------------|-----------------|-----------------|
| Fixed rate instruments    |                 |                 |
| Financial assets          | 1,835.54        | 2,732.97        |
| Financial liabilities     | 151.00          | 58.33           |
|                           | 1,986.54        | 2,791.30        |
| Variable rate instruments |                 |                 |
| Financial assets          |                 | -               |
| Financial liabilities     | (3,060.06)      | (1,002.69)      |
|                           | (3,060.06)      | (1,002.69)      |

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.





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Notes to Consolidated Financial Statement for the year ended 31st March 2025

(₹ in lakhs)

**Cash flow sensitivity analysis for variable rate instruments**

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

| Particulars                 | Profit or loss |           | Equity net of tax |           |
|-----------------------------|----------------|-----------|-------------------|-----------|
|                             | Strengthening  | Weakening | Strengthening     | Weakening |
| 31st March 2025             |                |           |                   |           |
| Variable rate instruments   | 15.84          | (15.84)   | 11.85             | (11.85)   |
| Cash flow sensitivity (net) | 15.84          | (15.84)   |                   | (11.85)   |
| 31st March 2024             |                |           |                   |           |
| Variable rate instruments   | 0.28           | (0.28)    | 0.21              | (0.21)    |
| Cash flow sensitivity (net) | 0.28           | (0.28)    | 0.21              | (0.21)    |

**(b) Equity price risk**

The Group is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

**(c) Currency risk**

The Group does not have currency risks since it is not exposed to any foreign currency transaction.

**41 Capital management**

The Group's management objective are :

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of carrying amount of equity including retained earnings as presented on the face of Balance Sheet. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. There is no change in the overall capital risk management strategy as compared to the last year.

| Particulars                                |   | 31st March 2025 | 31st March 2024 |
|--------------------------------------------|---|-----------------|-----------------|
| Total debt (Bank and other borrowings)     | A | 3,211.06        | 1,061.02        |
| Total Equity                               | B | 75,616.42       | 77,091.43       |
| Liquid investments including bank deposits | C | 660.54          | 1,557.97        |
| Debt to Equity (A / B)                     |   | 0.04            | 0.01            |
| Debt to Equity (net) [(A - C) / B]         |   | 0.03            | (0.01)          |

**42 Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a Holding company meeting the applicable threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are in accordance to the CSR Policy of the Company which includes Rural Development Project, eradicating hunger, poverty and malnutrition, healthcare and sanitation, animal welfare, etc. A CSR committee has been formed by the Company as per the Act.

The Subsidiary Company does not meet the applicable thresholds under Section 135 of the Companies Act, 2013; accordingly, the provisions of Section 135 are not applicable to it.

| Particulars                                                                                                                    | As at<br>31st March 2025 | As at<br>31st March 2024 |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Net Profits for the purpose of CSR - [Average Net Profits of Past 3 FY (D/3)]                                                  | 8,383.37                 | 12,257.39                |
| (i) Amount required to be spent by the company during the year:<br>(2% of Avg. Net Profits for the purpose of CSR Expenditure) | 167.67                   | 245.15                   |
| (ii) Amount of expenditure incurred                                                                                            |                          |                          |
| a) During the Financial Year                                                                                                   | 139.86                   | 209.64                   |
| b) Set off from expenditure in previous financial years                                                                        | 28.85                    | 64.36                    |
| (iii) Shortfall / (Excess) at the end of the year                                                                              | (1.04)                   | (28.85)                  |
| (iv) Total of previous years shortfall                                                                                         | -                        | -                        |
| (v) Reason for shortfall                                                                                                       | -                        | -                        |
| (vi) Nature of CSR activities                                                                                                  |                          |                          |
| a) Eradicating hunger, Water Supply, Healthcare,                                                                               | 50.31                    | 59.85                    |
| b) Promoting Education                                                                                                         | 87.68                    | 129.30                   |
| c) Animal Welfare                                                                                                              | 0.64                     | -                        |
| d) Ensuring environment sustainability                                                                                         | 0.51                     | 5.51                     |
| e) Training to promote rural sports                                                                                            | -                        | -                        |
| f) Rural Infrastructural Development                                                                                           | -                        | 14.97                    |
| <b>Total</b>                                                                                                                   | <b>139.14</b>            | <b>209.64</b>            |

(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard

(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.





## 43 Leases (Ind AS 116)

The Holding Company has elected to apply the following practical expedients available under Ind AS 116:

a) Short term leases / Low-value assets : The Company has elected short term leases and low value assets leases for recognition exemption of Ind AS 116. The Company recognises the lease rental payment associated with short term leases and low value assets as expense in the Statement of Profit & Loss. During the period ended 31st March 2025 the expenditure charged to profit & loss statement in respect to short-term leases and low-value assets are as below:

| Particulars                            | 31st March 2025 |
|----------------------------------------|-----------------|
| Expenses relating to short term leases | 69.11           |
| Expenses relating to low value assets  | 70.04           |

b) Discount rate : The Company has applied incremental borrowing rate as discounting factor to each lease of similar assets in similar economic environment with a similar rate.

The following effects have been given in the financial statement for the years ended 31st March, 2025

Balance Sheet: The movement of right-of-use assets and lease liabilities is as below:

## Right-of-use assets (Land)

| Particulars                               | Amount |
|-------------------------------------------|--------|
| Balance as on 1st April, 2024             | -      |
| Additions                                 | 422.30 |
| Depreciation during the period            | 5.61   |
| Deletions / adjustments during the period | -      |
| Balance as on 31st March, 2025            | 416.69 |

## Lease Liabilities

| Particulars                               | Amount |
|-------------------------------------------|--------|
| Balance as on 1st April, 2024             | -      |
| Additions / Adjustments                   | 10.12  |
| Finance cost accrued during the year      | 1.52   |
| Payment of lease liabilities              | 0.15   |
| Deletions / adjustments during the period | -      |
| Balance as on 31st March, 2025            | 11.49  |
| Current                                   | 2.69   |
| Non-current                               | 8.80   |

## Amount recognised in Statement of Profit and Loss or Carrying Amount of another asset

| Particulars                                                | Amount |
|------------------------------------------------------------|--------|
| Depreciation Recognised                                    | 5.61   |
| Interest on lease liability                                | 1.52   |
| Expenses related to short term and low value assets        | 70.04  |
| Total cash outflow for leases                              | 0.15   |
| Net carrying amount of right-to-use assets at the year end | 416.69 |

## 44 Financial Instruments and related disclosures

## 44.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchange in a current transaction between willing parties, other than in forced or liquidation sale.

The Group has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management assessed that trade receivables, cash and cash equivalent, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

## 44.2 Financial Instruments by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position as at 31st March 2025 are as follows:

| Particulars                                               | Note No.      | Carrying amount | Fair value |         |          |
|-----------------------------------------------------------|---------------|-----------------|------------|---------|----------|
|                                                           |               |                 | Level 1    | Level 2 | Level 3  |
| <b>A. Financial assets</b>                                |               |                 |            |         |          |
| <b>a) Measured at amortised cost</b>                      |               |                 |            |         |          |
| Trade receivables                                         | 9             | 4,782.42        | -          | -       | -        |
| Cash and cash equivalents                                 | 10            | 623.52          | -          | -       | -        |
| Other bank balances                                       | 11            | 660.54          | -          | -       | -        |
| Investments in government / trust securities              | 4(A)          | 4.10            | -          | -       | -        |
| Investments in Debenture -Non-trade investment (Unquoted) | 4(A)          | 1,175.00        | -          | -       | 1,175.00 |
| Investments in Preference shares -in other (Unquoted)     | 4(A)          | 125.00          | -          | -       | 125.00   |
| Loans                                                     | 5             | 12,473.91       | -          | -       | -        |
| Other Financial Assets                                    | 12(A) & 12(B) | 1,795.17        | -          | -       | -        |





**MSP SPONGE IRON LIMITED**

CIN:U27102WB1999PLC114830

Notes to Consolidated Financial Statement for the year ended 31st March 2025

(₹ in lakhs)

|                                                                   |      |          |          |  |          |
|-------------------------------------------------------------------|------|----------|----------|--|----------|
| b) Measured at fair value through profit or loss                  |      |          |          |  |          |
| Trade investments in Equity Instruments - In other (Quoted)       | 4(B) | 1,260.89 | 1,260.89 |  |          |
| c) Measured at fair value through OCI                             |      |          |          |  |          |
| Non-trade investments in Equity Instruments - In other (Unquoted) | 4(A) | 1,623.57 | -        |  | 1,623.57 |
| Non-trade Investments in Equity Instruments - In other (Quoted)   | 4(A) | 6,814.39 | 6,814.39 |  | -        |
| <b>B. Financial liabilities:</b>                                  |      |          |          |  |          |
| a) Measured at amortised cost                                     |      |          |          |  |          |
| Borrowings                                                        | 17   | 3,211.06 | -        |  | -        |
| Lease Liability                                                   | 43   | 11.49    |          |  |          |
| Trade payables                                                    | 19   | 2,283.08 | -        |  | -        |
| Other financial liabilities                                       | 20   | 2,348.05 | -        |  | -        |

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position as at 31st March 2024 are as follows:

| Particulars                                                     | Note No.      | Carrying amount | Fair value |         |          |
|-----------------------------------------------------------------|---------------|-----------------|------------|---------|----------|
|                                                                 |               |                 | Level 1    | Level 2 | Level 3  |
| <b>A. Financial assets</b>                                      |               |                 |            |         |          |
| a) Measured at amortised cost                                   |               |                 |            |         |          |
| Trade receivables                                               | 9             | 5,052.06        | -          |         | -        |
| Cash and cash equivalents                                       | 10            | 735.53          | -          |         | -        |
| Other bank balances                                             | 11            | 1,557.97        | -          |         | -        |
| Investments in government/ trust securities                     | 4(A)          | 4.10            | -          |         | -        |
| Investments in Debenture -Non-trade investment (Unquoted)       | 4(A)          | 1,175.00        | -          |         | -        |
| Investments in preference shares -In other (Unquoted)           | 4(A)          | 125.00          | -          |         | 125.00   |
| Loans                                                           | 5             | 9,550.56        | -          |         | -        |
| Other Financial Assets                                          | 12(A) & 12(B) | 1,990.69        | -          |         | -        |
| b) Measured at fair value through profit or loss                |               |                 |            |         |          |
| Trade investments in Equity Instruments - in other (Quoted)     | 4(B)          | 1,260.89        | 1,260.89   |         |          |
| c) Measured at fair value through OCI                           |               |                 |            |         |          |
| Trade investments in equity Instruments - in other (Unquoted)   | 4(A)          | 2,386.02        | -          |         | 2,386.02 |
| Non-trade investments in equity Instruments - In other (Quoted) | 4(A)          | 7,626.61        | 7,626.61   |         | -        |
| <b>B. Financial liabilities:</b>                                |               |                 |            |         |          |
| a) Measured at amortised cost                                   |               |                 |            |         |          |
| Borrowings                                                      | 17            | 1,061.02        | -          |         | -        |
| Trade payables                                                  | 19            | 3,514.61        | -          |         | -        |
| Lease Liability                                                 | 43            | -               |            |         |          |
| Other financial liabilities                                     | 20            | 2,389.79        | -          |         | -        |

**45 Additional regulatory Information:**

- The Group does not have any Benami property. Further, there are no proceedings initiated or are pending against the Group for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- There are no transaction which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- As at March 31, 2025, the register of charges of the Group as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified since the inception of the Companies (Holding & Subsidiary). There are certain charges which are historic in nature and it involves practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges, despite the underlying loans being repaid. The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the current financial year.
- The Group 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:
  - 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 to or on behalf of the Ultimate Beneficiaries
- The Group has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- The Group has not filed any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013 with any Competent Authority.
- The Group has not raised any term loans from banks, financial institutions, or any other parties during the financial year.





**MSP SPONGE IRON LIMITED**

CIN:U27102WB1999PLC114830

Notes to Consolidated Financial Statement for the year ended 31st March 2025

(₹ in lakhs)

- x) In accordance with the proposed amalgamation of the erstwhile the Subsidiary company, Indoves Industrial Private Limited (hereinafter referred to as the 'Transferor Company') with MSP Sponge Iron Limited (hereinafter referred to as the 'Transferee Company'), an application has been submitted before the Hon'ble National Company Law Tribunal, Kolkata Bench, for approval of the said amalgamation.
- xi) Compliance with audit trail for accounting software  
The Group is using an ERP which is widely used internationally. The ERP software is having an audit trail feature for maintaining its books of account.
- 46 Figures for the previous year have been regrouped and reclassified to confirm to classification of the current year, where necessary.

Material Accounting Policies

See accompanying notes to the Financial Statements

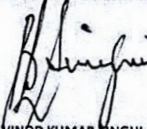
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1 to 46

As per our report of even date attached

For and on behalf of the Board

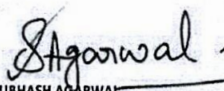
For V. SINGHI & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 311017E

  
CA VINOD KUMAR SINGHI  
Partner  
Membership No: 050051

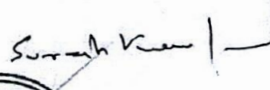
Date: 27th August, 2025  
Place: Kolkata

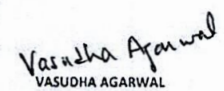


  
MANISH AGRAWAL  
Managing Director  
DIN: 00129240

  
SUBHASH AGARWAL  
(Chief Financial Officer)



  
SURESH KUMAR AGRAWAL  
Director  
DIN: 00587623

  
VASUDHA AGARWAL  
(Company Secretary)

MSP SPONGE IRON LIMITED  
  
Company Secretary