



Annual Report

F. Y. 2024-25



HARIBHAKTI & CO. LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Hospet Steels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Hospet Steels Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of material accounting policy information and other explanatory information (hereinafter referred to as financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2025, its profit/loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Reports, but does not include the financial statements and our auditor's report thereon.

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

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



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The Director's Report is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", 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, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act;



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- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration paid/provided by the Company to its directors during the year. Accordingly, section 197 of the Act related to managerial remuneration is not applicable.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (iv) (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (iv) (c) Based on the audit procedures that are 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 Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.



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- (vi) Based on our examination which included test checks, the Company has used an 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 did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Deepak Kabra

Partner

Membership No. 133472

UDIN: 25133472BMOMNW2783



Place: Mumbai

Date: April 29, 2025

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ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Hospet Steels Limited ("the Company") on the financial statements for the year ended March 31, 2025]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i)
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (a) (B) The Company does not have any Intangible Assets and accordingly, reporting under clause (i)(a)(B) of paragraph 3 of the Order is not applicable.
 - (b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not have any immovable property and accordingly, reporting under clause (i)(c) of paragraph 3 of the Order is not applicable.
 - (d) The Company has not revalued its Property, Plant and Equipment during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
 - (e) No proceedings have been initiated or are pending against the Company as at March 31, 2025 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
- (a) As mentioned in Note 1 of the financial statements, the Company is not in the business that requires to hold any inventory. Therefore, reporting under clause (ii)(a) of paragraph 3 of the order is not applicable.
 - (b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii)
- During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.
- (iv)
- The provisions of section 185 of the Act are not applicable to the Company as it has not granted any loan or made any investment or provided any guarantee or security during the year. Further, the provisions of section 186 of the Act are not applicable to the Company as it is engaged in the business on behalf of the Strategic Alliance constituents and acting as a conduit pipe as explained in Note 1 of financial statements.



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- (v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii)
- (a) The Company does not have liability in respect of Service Tax, Duty of Excise, Sales Tax and Value added tax during the year since effective July 01, 2017, these statutory dues have been subsumed into Goods and Services Tax.
- The Company is regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, duty of customs, cess and any other material statutory dues applicable to it, in all cases during the year.
- No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues with respect to provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.
- (viii) We have not come across any transactions which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix)
- (a) The Company has not taken any loans or other borrowings from any lender. Accordingly, reporting under clause (ix)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not obtain any money by way of term loans during the year and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds are raised on short-term basis by the Company. Accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable.
- (e) The Company does not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable.



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- (f) The Company does not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable.
- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course 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 have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit Reports of the Company issued till date, for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order is not applicable.



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- (c) As informed by the Company, the Group to which the Company belongs has 20 (twenty) CIC as part of the Group (including the CICs exempt from registration and CICs not registered).
- (xvii) The Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Deepak Kabra

Partner

Membership no. 133472

UDIN: 25133472BMOMNW2783



Place: Mumbai

Date: April 29, 2025

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Hospet Steels Limited** on the financial statements for the year ended March 31, 2025]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Hospet Steels Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



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Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

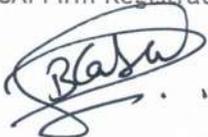
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048



Deepak Kabra

Partner

Membership No. 133472

UDIN: 25133472BMOMNW2783



Place: Mumbai

Date: April 29, 2025

Balance Sheet as at 31 March 2025

(Rs. in lakhs)

| Particulars | Notes | As at 31 March 2025 | As at 31 March 2024 |
|--|-------|------------------------|------------------------|
| I ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 0.97 | 0.97 |
| (b) Income Tax Assets | 4 | - | 2.13 |
| (b) Other non-current assets | 4.1 | 11.17 | 1.19 |
| 2 Current Assets | | | |
| (a) Financial assets | | | |
| i) Cash and cash equivalents | 5 | 388.80 | 617.03 |
| ii) Loans | 6 | 12.66 | 11.00 |
| iii) Others financial assets | 7 | 2,475.34 | 2,020.57 |
| (b) Other current assets | 8 | 361.05 | 245.43 |
| Total Assets | | 3,249.99 | 2,898.31 |
| II EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| (a) Equity share capital | 9 | 25.00 | 25.00 |
| (b) Other equity | 10 | (77.40) | (77.40) |
| LIABILITIES | | | |
| 1 Non-current liabilities | | | |
| (a) Provisions | 11 | 455.82 | 427.41 |
| 2 Current liabilities | | | |
| (a) Financial liabilities | | | |
| i) Trade payables | 12 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 116.58 | 80.41 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,442.61 | 1,255.33 |
| ii) Other financial liabilities | 13 | 771.24 | 712.03 |
| (b) Other liabilities | 14 | 390.07 | 368.10 |
| (c) Provisions | 11 | 126.07 | 107.45 |
| Total Equity and Liabilities | | 3,249.99 | 2,898.31 |

The accompanying notes are an integral part of the financial statements

As per our attached Report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No 103523W/W100048

Deepak Kabra
Partner
Membership No. : 133472

Place: Mumbai

Date: 29/04/2025



For and on behalf of the Board of Directors of
Hospet Steels Limited

R.K.Goyal
Director
DIN : 03050193

Neeraj Kant
Director
DIN : 06598469

Place: Pune

Date: 29-04-2025



Statement of Profit and Loss for the year ended 31 March 2025

(Rs. in lakhs)

| Particulars | Notes | For the Year Ended 31 March 2025 | For the Year Ended 31 March 2024 |
|---|-------|-------------------------------------|-------------------------------------|
| I Other income | | - | - |
| II Total Income | | - | - |
| III Expenses: | | | |
| a) Employee benefits expense | 15 | - | - |
| b) Other expenses | 16 | - | - |
| Total expenses | | | |
| IV Profit/(Loss) before tax (III- IV) | | - | - |
| V Tax expense: | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| VI Profit/(Loss) after tax (V - VI) | | - | - |
| VII Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| (i) Remeasurement of defined benefit scheme | 18 | - | - |
| (ii) Income tax effect | | - | - |
| Items that will be reclassified to profit or loss | | - | - |
| Other comprehensive income for the year, net of tax | | - | - |
| VIII Total Comprehensive Income for the Year | | - | - |
| Earnings per equity share of face value of Rs. 10 each: | | | |
| (a) Basic earnings per share (in Rs.) | 19 | - | - |
| (b) Diluted earnings per share (in Rs.) | 19 | - | - |

The accompanying notes are an integral part of the financial statements

As per our attached Report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No 103523W/W100048

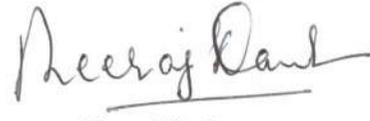

Deepak Kabra
Partner
Membership No. : 133472



Place: Mumbai
Date: 29/04/2025

For and on behalf of the Board of Directors of
Hospet Steels Limited


R.K. Goyal
Director
DIN : 03050193


Neeraj Kant
Director
DIN : 06598469

Place : Pune
Date : 29-04-2025



Statement of Changes in Equity for the year ended 31 March 2025

A. Equity share capital

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|------------------------|------------------------|
| Balance at the beginning of the reporting year | 25.00 | 25.00 |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | 25.00 | 25.00 |
| Changes in equity share capital during the year | - | - |
| Balance at the end of the reporting period | 25.00 | 25.00 |

B. Other Equity

| Particulars | Retained Earnings | Total |
|---|-------------------|---------|
| Balance as on 01 April 2023 | (77.40) | (77.40) |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Profit/ (Loss) for the year | - | - |
| Other comprehensive income for the year (Refer Note 18) | - | - |
| Balance as on 31 March 2024 | (77.40) | (77.40) |
| Balance as on 01st April, 2024 | (77.40) | (77.40) |
| Changes in equity share capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Profit/ (Loss) for the year | - | - |
| Other comprehensive income for the year (Refer Note 18) | - | - |
| Balance as on 31 March 2025 | (77.40) | (77.40) |

The accompanying notes are an integral part of the financial statements

As per our attached Report of even date
For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration No 103523W/W100048

For and on behalf of the Board of Directors of
Hospet Steels Limited

Deepak Kabra
Partner
Membership No. : 133472



R.K. Goyal

R.K.Goyal
Director
DIN : 03050193

Neeraj Kant

Neeraj Kant
Director
DIN : 06598469

Place : Mumbai

Date : 29/04/2025

Place : Pune

Date : 29-04-2025



Statement of Cash Flows for the year ended 31 March 2025

(Rs. in lakhs)

| Particulars | For the Year Ended 31 March 2025 | For the Year Ended 31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| Profit/(loss) before tax | - | - |
| Adjustments for | | |
| Net (gain)/ Loss on sale of property, plant and equipment | - | - |
| Operating profit before working capital changes | - | - |
| decrease in loans | - | - |
| (Increase)/decrease in other financial assets | (456.43) | 199.31 |
| (Increase)/decrease in other assets | (123.47) | (82.21) |
| Increase / (decrease) in trade payables | 223.45 | (34.07) |
| Increase/ (decrease) in other financial liabilities | 59.21 | 58.47 |
| Increase / (decrease) in other current liabilities & provisions | 69.00 | (46.28) |
| Cash generated from operations | (228.23) | 95.19 |
| Direct tax paid (net) | - | - |
| Net cash inflow from operating activities | (228.23) | 95.19 |
| Cash flows from investing activities | - | - |
| Net cash from investing activities | - | - |
| Cash flows from financing activities | - | - |
| Net cash used in financing activities | - | - |
| Net increase in cash and cash equivalents | (228.23) | 95.19 |
| Cash and cash equivalents at the beginning of the year | 617.03 | 521.84 |
| Cash and cash equivalents at end of the year (Refer Note 5) | 388.80 | 617.03 |
| Comprises : | | |
| Cash in hand | - | - |
| Balance with banks-In current accounts | 388.80 | 617.03 |
| | 388.80 | 617.03 |
| The notes referred to above form an integral part of these financial statements | | |

As per our attached Report of even date

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No 103523W/W100048



Deepak Kabra

Partner

Membership No. : 133472



Place : Mumbai

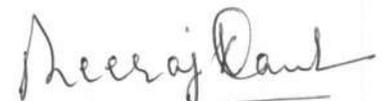
Date : 29/04/2025

For and on behalf of the Board of Directors of
Hospet Steels Limited


R.K. Goyal

Director

DIN : 03050193



Neeraj Kant

Director

DIN : 06598469

Place : Pune

Date : 29-04-2025



Notes to financial statement for the year ended March 31, 2025

Note 1: Corporate Information

Hospet Steels Limited ("the Company") is a company limited by shares, incorporated and domiciled in India. The registered office of the Company is in Hospet Road, Village - Ginigera, District - Koppal, Karnataka. The Company is an outcome of the Strategic Alliance between Kalyani Group and Mukand Group (together referred to as "Strategic Alliance Constituents") and is acting as a conduit pipe for and on behalf of the Strategic Alliance Constituents and hence no remuneration is payable to it. The actual expenses incurred by the Company in the course of carrying out its objectives including provisions for gratuity and leave entitlement to staff (except gain/loss on discard of PPE) are reimbursed by Strategic Alliance Constituents in a pre-determined mutually agreed "sharing ratio". In view of the same there are no service charges recovered/revenue for the year. All the expenses which can be directly identified with the Hot Metal making & Steel Rolling activities and Steel making activity are allocated to Kalyani Steels Limited and Mukand Limited respectively (except expenses directly identifiable to Non Destructive Testing (NDT) line in "RMS-1 Section" in steel rolling activities are allocated to Mukand Limited), while all common expenses and corporate expenses are recovered from the Strategic Alliance Constituents in the following manner:

| Name of the company | Percentage |
|-----------------------|------------|
| Kalyani Steel Limited | 41.38% |
| Mukand Limited | 58.62% |
| ----- | |
| Total | 100.00% |

The Strategic Alliance Constituents have agreed to financially support the Company and accordingly, the financial statements of the Company have been prepared on a going concern assumption.

The financial statements for the year ended March 31, 2025 are approved for issue by the Company's Board of Directors on April 29, 2025. The revision to these financials statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Companies Act, 2013 ('Act').

Note 2: Material Accounting Policies

The material accounting policies applied by the Company in its preparation of the financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements.

(a) Basis of accounting and preparation of financial statements

(i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other and relevant amendment rules issued thereafter and Schedule III of the Act.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

The financial statements are presented in Indian Rupees ('INR'), which is Company's functional and presentation currency, and all values are rounded to nearest lakhs, except when otherwise indicated.



Notes to financial statement for the year ended March 31, 2025

(ii) Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(b) Property, plant & equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price net of any trade discounts and rebates, non-refundable taxes and duties, directly attributable costs of bringing the asset to its present location and condition, relevant borrowing costs for qualifying assets and initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

Machinery spares, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on straight line method at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

Depreciation commences when the assets are ready for their intended use.

The residual values are not more than 5% of the original cost of the asset. The assets residual values, method of depreciation and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Notes to financial statement for the year ended March 31, 2025

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the asset is available for its intended use. Depreciation on sale/deduction from the assets is provided for up to the date of sale/deduction/discard, as the case may be.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

(c) Leases

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

Company as a 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 standalone price of the lease component and the aggregate standalone 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 shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is 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 is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

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.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the 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. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. 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 or to reflect revised in-substance fixed lease payments. The Company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement

Notes to financial statement for the year ended March 31, 2025

of the lease liability, the Company recognizes any remaining amount of the re-measurement in Statement of Profit and Loss. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

(d) Impairment of Non-financial assets

The carrying amount of cash generating units is reviewed at each reporting date where there is any indication of impairment. An impairment loss is recognized in the Statement of Profit and Loss where the carrying amount exceeds the recoverable amount of the cash generating units. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

(e) 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.

(i) Financial Assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Initial Recognition & Measurement

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

Subsequent Measurement

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

- Debt instruments at fair value through profit and loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at amortised cost
- Equity instruments at fair value (either through profit and loss or through other comprehensive income, if designated)

Notes to financial statement for the year ended March 31, 2025

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVTOCI.

Debt instruments at amortised cost

A Debt instrument is measured at amortised cost if both the following conditions are met:

- a) **Business Model Test:** The objective is to hold the debt instrument to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Debt instruments at fair value through OCI

A Debt instrument is measured at fair value through other comprehensive income if following criteria are met:

- a) **Business Model Test:** The objective of financial instrument is achieved by both collecting contractual cash flows and for selling financial assets.
- b) **Cash flow characteristics test:** The contractual terms of the debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of interest income, impairment gains or losses and foreign exchange gains or losses which are recognised in statement of profit and loss. On de-recognition of asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit & loss. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument which does not meet the criteria for amortised cost or FVTOCI is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Equity Instruments

For all equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes

Notes to financial statement for the year ended March 31, 2025

such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Profit and loss.

De-recognition

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

(II) Equity & Financial Liabilities

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity Instruments:

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

(ii) Financial liabilities:**Initial recognition and measurement:**

Financial liabilities are initially recognised at fair value plus any transaction costs that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL which are initially measured at fair value.

Notes to financial statement for the year ended March 31, 2025

Subsequent measurement:

The financial liabilities are classified for subsequent measurement into following categories:

- At amortised cost
- At fair value through profit or loss (FVTPL)

Financial liabilities at amortised cost:

The Company is classifying the following under amortised cost;

- Borrowings
- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Financial liabilities at fair value through profit or loss:

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement, recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

De-recognition of financial liabilities:

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

(III) Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(f) Fair Value Measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.



Notes to financial statement for the year ended March 31, 2025

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

- Level 1 – Quoted (unadjusted) market prices are in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the group operates and generates taxable income.

Current income tax relating to items recognised outside profit or losses recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company's liability for current tax is calculated using the Indian tax rates and laws that have been enacted by the reporting date. The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and provisions where appropriate.

Deferred Tax:

Deferred tax is provided in full, using the balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available against which the temporary differences can be utilised.

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

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

Notes to financial statement for the year ended March 31, 2025

Deferred tax relating to items recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(h) Provisions, contingent liabilities and contingent assets**Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. When the group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities & contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

Provisions, contingent liabilities, and contingent assets are reviewed at each balance sheet date.

(i) Employee Benefits**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render

Notes to financial statement for the year ended March 31, 2025

the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for compensated absences which are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period is actuarially determined using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss. Past service costs are recognised immediately in profit or loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity and
- (b) Defined contribution plans such as provident fund, Employee's State Insurance Corporation, pension fund, Employer's pension scheme and superannuation fund.

Gratuity Obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Past service costs are recognised in profit or loss on the earlier of:

- a) The date of the plan amendment or curtailment, and
- b) The date that the group recognises related restructuring costs

Provident fund & Employee State Insurance

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Notes to financial statement for the year ended March 31, 2025

Superannuation fund

The Company have a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The Company contributes up to 15% of the eligible employees salary every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligations beyond this contribution

National Pension Scheme

The Company has introduced National Pension Scheme from May 2019 onwards. This scheme is optional for employees who are in the grades of Manager and above. The Company contributes 10% of Basic Salary to those employees who have opted for it. Such contributions are recognized as an expenses as and when incurred. The Company does not have any further obligations beyond this contribution.

(j) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker monitors the operating results of its business segments separately for the purpose of making decision about the resources allocation and performance assessment. Segment performance is evaluated based on the profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified on the basis of the nature of products/ services.

(k) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(m) Earnings per share**Basic earnings per share**

Basic earnings per share is computed by dividing:

- the net profit or loss attributable to owners of the Company.
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:



Notes to financial statement for the year ended March 31, 2025

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(n) Dividend distribution to equity shareholders

Dividend distributed to Equity shareholders is recognised as distribution to owners of capital in the Statement of Changes in Equity, in the period in which the distribution is authorised and the distribution is no longer at the discretion of the Company.

(o) Foreign currencies

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(p) Revenue Recognition

To achieve the common endeavours of manufacturing steel through a more economical and cost effective route as compared to the 'Electric Arc Furnace' (EAF) route, Mukand Limited and the Kalyani Group, represented by Kalyani Steels Limited and erstwhile Kalyani Ferrous Industries Limited, entered into a strategic alliance to set up a composite steel making facility through the 'Mini Blast Furnace-Energy optimising Furnace' route at Ginigera, Hospet Road, in the State of Karnataka.

To attain the objectives of the strategic alliance, the Company viz., Hospet steels Limited was formed as a Joint venture company with the specific purpose of managing and operating the above mentioned composite manufacturing facility. Up to FY 2016-17, the actual expenses incurred by Hospet Steels Limited in the course of carrying out its objectives (except provisions for gratuity and leave entitlement to staff) are being reimbursed as agreed by the alliance constituents in a pre-determined mutually agreed 'Sharing Ratio' as detailed under Note 1 above. From FY 2017-18 onwards, the actual expenses incurred by Hospet Steels Limited in the course of carrying out its objectives including provisions for gratuity and leave entitlement to staff (except loss on discard of PPE) in a pre-determined mutually agreed "sharing ratio" has been reimbursed. In view of the same there are no service charges recovered/revenue for the year. Amount receivable from these strategic alliance constituents are disclosed as Reimbursement receivable under Note 17 'Reimbursement of Expenses'.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

(q) Critical estimates and judgements

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates

Notes to financial statement for the year ended March 31, 2025

could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

- i. **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 appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.
- ii. **Defined benefit plan:** The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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.

(r) **Recent Pronouncements**

No new standards have been notified during the year ended March 31, 2025.



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 3: Property, plant and equipment

(Rs. in lakhs)

| Particulars | Vehicles | Total |
|---|--------------|--------------|
| Year ended 31 March 2023 | | |
| Gross carrying amount | | |
| Opening gross carrying amount as at 01 April 2023 | 19.22 | 19.22 |
| Additions | - | - |
| Disposals | - | - |
| Closing gross carrying amount as at 31 March 2024 | 19.22 | 19.22 |
| Accumulated depreciation | | |
| Accumulated depreciation as at 01 April 2023 | 18.25 | 18.25 |
| Depreciation charge during the year | - | - |
| Disposals | - | - |
| Closing accumulated depreciation as at 31 March 2024 | 18.25 | 18.25 |
| Net carrying amount as at 31 March 2024 | 0.97 | 0.97 |
| Gross carrying amount | | |
| Opening gross carrying amount as at 01 April 2024 | 19.22 | 19.22 |
| Additions | - | - |
| Disposals | - | - |
| Closing gross carrying amount as at 31 March 2025 | 19.22 | 19.22 |
| Accumulated depreciation | | |
| Accumulated depreciation as at 01 April 2024 | 18.25 | 18.25 |
| Depreciation charge during the year | - | - |
| Disposals | - | - |
| Closing accumulated depreciation as at 31 March 2025 | 18.25 | 18.25 |
| Net carrying amount as at 31 March 2025 | 0.97 | 0.97 |

Notes:

1. Above property, plant and equipment is free from any encumbrances.
2. There are no contractual commitments for the acquisition of property, plant and equipment.
3. The Company has not revalued any of its property, plant and equipment.



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 4: Income Tax Assets

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|--|------------------------|------------------------|
| Advance tax receivable (net of provisions) | - | 2.13 |
| Total | - | 2.13 |

Note 4.1: Other non-current assets

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|------------------|------------------------|------------------------|
| Prepaid expenses | 11.17 | 1.19 |
| Total | 11.17 | 1.19 |



(This space is left blank intentionally)



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 5: Cash and cash equivalents

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|------------------------|------------------------|
| Balances with banks - on current accounts | 388.80 | 617.03 |
| Total | 388.80 | 617.03 |

Note 6: Loans

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|-----------------------------|------------------------|------------------------|
| Considered good (Unsecured) | | |
| Loans to staff | 12.66 | 11.00 |
| Total | 12.66 | 11.00 |

Note 7: Other financial assets

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|--|------------------------|------------------------|
| Unsecured considered good, unless otherwise stated | | |
| Reimbursement receivable* (Refer Note 21b) | 2,471.42 | 2,020.57 |
| Insurance claims | 3.92 | - |
| Total | 2,475.34 | 2,020.57 |

* Due from Kalyani Steels Limited amounting to Rs.1,215.71 lakhs as on 31 March 2025 (31 March 2024 : Rs. 1,051.26 lakhs)

* Due from Mukand Limited amounting to Rs.1,255.71 lakhs as on 31 March 2025 (31 March 2024 : Rs.969.31 lakhs)

Note 8: Other current assets

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|------------------------|------------------------|
| Prepaid expenses | 360.13 | 226.82 |
| Surplus of funded plan (Refer Note 15B) | 0.92 | 4.11 |
| Advances to suppliers | - | 14.50 |
| Total | 361.05 | 245.43 |



(This space is left blank intentionally)



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 9: Equity share capital

(Rs. in lakhs)

| Particulars | (Rs. in lakhs) | |
|--|---------------------|---------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| (a) Authorised share capital | | |
| 31 March 2025: 2.50 lakhs (31 March 2024: 2.50 lakhs) Equity Shares of Rs. 10 each | 25.00 | 25.00 |
| (b) Issued, subscribed and paid up equity capital | | |
| 31 March 2025: 2.50 lakhs (31 March 2024: 2.50 lakhs) Equity Shares of Rs. 10 each | 25.00 | 25.00 |

(ii) Reconciliation of number of equity shares

| Particulars | 31 March 2025 | | 31 March 2024 | |
|---|--------------------------|-------------------|--------------------------|-------------------|
| | No. of Shares (in lakhs) | Amount (in lakhs) | No. of Shares (in lakhs) | Amount (in lakhs) |
| Balance as at the beginning of the year | 2.50 | 25.00 | 2.50 | 25.00 |
| Increase/Decrease during the year | - | - | - | - |
| Balance as at the end of the year | 2.50 | 25.0 | 2.50 | 25.00 |

(iii) Details of shareholders holding more than 5% shares in the Company

| Particulars | 31 March 2025 | | 31 March 2024 | |
|-----------------------------------|--------------------------|--------------|--------------------------|--------------|
| | No. of Shares (in lakhs) | % of holding | No. of Shares (in lakhs) | % of holding |
| Kalyani Steels Limited | 1.25 | 50.00% | 1.25 | 50.00% |
| Mukand Limited | 0.98 | 39.00% | 0.98 | 39.00% |
| Baroda Industries Private Limited | 0.27 | 11.00% | 0.27 | 11.00% |



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025
(iv) Details of promoters shareholding in the Company is as below:

| Promoter name | 31 March 2025 | | 31 March 2024 | |
|-----------------------------------|------------------|--------|------------------|--------|
| | Number of shares | % held | Number of shares | % held |
| Kalyani Steels Limited * | 1,25,000 | 50.00% | 1,25,000 | 50.00% |
| Mukand Limited * | 97,504 | 39.00% | 97,504 | 39.00% |
| Baroda Industries Private Limited | 27,496 | 11.00% | 27,496 | 11.00% |

* including shares held by the nominee shareholders.

(v) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder of equity shares is eligible to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(vi) The Company does not have any holding company.

(vii) There are no shares issued for consideration other than cash, no shares have been issued as bonus shares and no shares have been bought back during the period of five years immediately preceding the reporting date.

(viii) There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

(ix) There are no securities issued/outstanding which are convertible into equity shares.

(x) There are no shares which have been forfeited.



(This space is left blank intentionally)

Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 10: Other equity

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|-------------------|------------------------|------------------------|
| Retained earnings | (77.40) | (77.40) |
| Total | (77.40) | (77.40) |

Retained earnings

Retained earnings are the profits of the Company earned till date net of appropriations.

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|--------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year | (77.40) | (77.40) |
| Net Profit/(loss) during the year | - | - |
| Total | (77.40) | (77.40) |

(This space is left blank intentionally)



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 11: Provisions

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|------------------------|------------------------|
| Provision for compensated absences (unfunded): (Refer Note 15B) | | |
| Non - Current | 455.82 | 427.41 |
| Current | 126.07 | 107.45 |
| Total Non-Current | 455.82 | 427.41 |
| Total Current | 126.07 | 107.45 |

Note 12: Trade payables

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|--|------------------------|------------------------|
| Dues to micro enterprises and small enterprises (Refer Note 12b) | 116.58 | 80.41 |
| Dues to others | 1,442.61 | 1,255.33 |
| Total | 1,559.19 | 1,335.75 |

Note:

12a: The Company's liquidity risks management process and maturity analysis related to trade payable is disclosed in Note 26.

12b: The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act] as at 31 March 2025. The disclosure pursuant to the MSMED Act is as under:

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|------------------------|------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 116.58 | 80.41 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| (iv) The amount of interest due and payable for the year | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006 | - | - |
| Total | 116.58 | 80.41 |

Note:

The above information has been furnished to the extent such parties have been identified by the Company.

Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

12c: Trade payables ageing schedule

As at March 31, 2025:

| Particulars | Outstanding for the following periods from date of transaction | | | | Total |
|---|--|------------|------------|-------------------|----------|
| | Less than 1 year* | 1 - 2 year | 2 - 3 year | More than 3 years | |
| <i>Undisputed dues</i> | | | | | |
| - Micro enterprises and small enterprises | 116.58 | - | - | - | 116.58 |
| - Others | 1,388.93 | 18.08 | 2.22 | 2.92 | 1,412.15 |
| <i>Disputed dues</i> | | | | | |
| - Micro enterprises and small enterprises | - | - | - | - | - |
| - Others | - | - | - | 30.46 | 30.46 |

(Rs. in lakhs)

* includes accrual for expenses

As at March 31, 2024:

| Particulars | Outstanding for the following periods from date of transaction | | | | Total |
|---|--|------------|------------|-------------------|----------|
| | Less than 1 year* | 1 - 2 year | 2 - 3 year | More than 3 years | |
| <i>Undisputed dues</i> | | | | | |
| - Micro enterprises and small enterprises | 80.41 | - | - | - | 80.41 |
| - Others | 1,214.48 | 3.58 | 5.80 | 1.01 | 1,224.87 |
| <i>Disputed dues</i> | | | | | |
| - Micro enterprises and small enterprises | - | - | - | - | - |
| - Others | - | - | - | 30.46 | 30.46 |

(Rs. in lakhs)

* includes accrual for expenses

(This space is left blank intentionally)



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 13: Other financial liabilities

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|------------------------------|------------------------|------------------------|
| Employee related liabilities | 771.24 | 712.03 |
| Total | 771.24 | 712.03 |

Note 14: Other liabilities

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|-------------------------|------------------------|------------------------|
| Statutory dues payables | 390.07 | 368.10 |
| Total | 390.07 | 368.10 |

(This space is left blank intentionally)



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 15: Employee benefit expense

(Rs. in lakhs)

| Particulars | For the Year Ended 31 March 2025 | For the Year Ended 31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus | 8,309.95 | 7,646.59 |
| Contributions to - | | |
| Provident and other funds (Refer Note 15A) | 747.39 | 668.24 |
| Gratuity Fund (Refer Note 15B) | 149.57 | 129.15 |
| Staff welfare expenses | 1,073.38 | 898.17 |
| Less: Reimbursement of expenses (Refer Note 17) | (10,280.29) | (9,342.15) |
| Total | - | - |

Note 15A: Defined Contribution Plans

- (a) Superannuation Fund
- (b) Employee State Insurance Scheme
- (c) State defined contribution Plans

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

(Rs. in lakhs)

| Particulars | For the Year Ended 31 March 2025 | For the Year Ended 31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| Contribution to Provident Fund | 435.15 | 391.93 |
| Contribution to Employees' Superannuation Fund | 190.00 | 173.37 |
| Contribution to Employees' State Insurance Scheme | 8.10 | 10.07 |
| Contribution to Employees' Deposit Linked Insurance Scheme & Others | 41.54 | 40.31 |
| Contribution to Employer's National Pension Scheme | 72.61 | 52.56 |
| Total | 747.39 | 668.24 |



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 15B: Employee benefit obligations

(Rs. in lakhs)

| Particulars | 31 March 2025 | 31 March 2024 |
|--------------------------|-----------------|-----------------|
| Leave obligations | 581.88 | 534.86 |
| Non-current | 455.82 | 427.41 |
| Current | 126.07 | 107.45 |
| Gratuity | 2,082.23 | 1,904.80 |
| Non-current | 2,082.23 | 1,904.80 |

a Leave obligations

Compensated absences is payable to eligible employees who have earned leave, during the employment and /or on separation as per the Company policy. The scheme is unfunded.

Significant assumptions :

The significant actuarial assumptions were as follows :

| Particulars | 31 March 2025 | 31 March 2024 |
|---------------------------------------|---|--|
| Discount rate | 6.80% | 7.20% |
| Salary escalation rate | 7.00% | 8.00% |
| Retirement age | Staff - 58 Workers - 60 | Staff - 58 Workers - 60 |
| Mortality rate | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |
| Attrition rate | 9% | 9% |
| Leave availment pattern -earned leave | 5.00% | 5.00% |

b Gratuity

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

(This space is left blank intentionally)



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

- i The amounts recognised in balance sheet and movements in the net benefit obligation over the year are as follows:

Changes in the present value of the benefit obligation are as follows

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|--|------------------------|------------------------|
| Opening defined benefit obligation | 1,904.80 | 1,702.61 |
| Current service cost | 147.22 | 128.54 |
| Interest expense/(income) | 131.12 | 124.44 |
| Mortality Charges and Taxes | - | - |
| Total amount recognised in Profit or Loss | 278.34 | 252.99 |
| Experience (gain)/loss | 112.81 | 58.98 |
| (Gain)/loss from change in demographic assumptions | - | (21.23) |
| (Gain)/loss from change in financial assumptions | (46.37) | 41.83 |
| Total amount recognised in Other Comprehensive Income | 66.44 | 79.57 |
| Benefits paid | (167.35) | (130.37) |
| Closing defined benefit obligation | 2,082.23 | 1,904.80 |

Changes in value of plan assets are as follows

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|--|------------------------|------------------------|
| Opening value of plan assets | 1,908.91 | 1,704.70 |
| Current service cost | - | - |
| Interest expense/(income) | 138.83 | 132.52 |
| Mortality Charges and Taxes | (10.06) | (8.68) |
| Total amount recognised in Profit or Loss | 128.77 | 123.84 |
| Experience gain/(loss) | 14.50 | (4.51) |
| Gain/(loss) from change in demographic assumptions | - | - |
| Gain/(loss) from change in financial assumptions | (7.71) | 6.97 |
| Total amount recognised in Other Comprehensive Income | 6.79 | 2.46 |
| Benefits paid | (167.35) | (130.37) |
| Contribution | 206.03 | 208.28 |
| Closing value of plan assets | 2,083.15 | 1,908.91 |



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Expenses recognised in the Statement of Profit and Loss

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|-------------------------------|-----------------------------|-----------------------------|
| Current service cost | 147.22 | 128.54 |
| Net Interest (income)/expense | (7.71) | (8.07) |
| Mortality charges and taxes | 10.06 | 8.68 |
| Net gratuity cost | 149.57 | 129.15 |

Expenses recognised in Other Comprehensive Income (OCI)

| Particulars | Year ended 31 March 2025 | Year ended 31 March 2024 |
|--|-----------------------------|-----------------------------|
| Remeasurement for the year - obligation (Gain) / Loss | 66.44 | 79.57 |
| Remeasurement for the year - plan asset (Gain) / Loss | (6.79) | (2.46) |
| Total Remeasurements Cost / (Credit) for the year recognised in OCI | 59.65 | 77.11 |

ii The net liability disclosed above relates to funded plans are as follows :

| Particulars | 31 March 2025 | 31 March 2024 |
|------------------------------------|---------------|---------------|
| Present value of funded obligation | 2,082.23 | 1,904.80 |
| Fair value of plan assets | 2,083.15 | 1,908.90 |
| Surplus of funded plan | (0.92) | (4.11) |

iii Significant estimates:

The significant actuarial assumptions were as follows :

| Particulars | 31 March 2025 | 31 March 2024 |
|--------------------|---|--|
| Discount rate | 6.80% | 7.20% |
| Salary growth rate | 7.00% | 8.00% |
| Attrition rate | 9.00% | 9.00% |
| Retirement age | Staff-58 years Workers - 60 years | Staff-58 years Workers - 60 years |
| Mortality rate | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

iv Sensitivity analysis:

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

| Assumption | Impact on defined benefit obligation | |
|------------------------|--------------------------------------|---------------|
| | 31 March 2025 | 31 March 2024 |
| Discount rate | 6.80% | 7.20% |
| 1% decrease | 112.95 | 112.41 |
| 1% increase | (102.49) | (101.52) |
| Future salary increase | 7.00% | 8.00% |
| 1% decrease | (85.25) | (85.12) |
| 1% increase | 92.00 | 92.24 |
| Attrition rate | 9% | 9% |
| 1% decrease | 1.02 | 4.22 |
| 1% increase | (0.94) | (3.86) |

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

v Expected future benefit payment of Gratuity on undiscounted basis:

| Particulars | (Rs. in lakhs) | |
|---------------------|-----------------|-----------------|
| | 31 March 2025 | 31 March 2024 |
| Less than a year | 390.90 | 278.82 |
| Between 1 - 2 years | 309.64 | 304.01 |
| Between 2 - 5 years | 854.34 | 818.74 |
| Over 5 years | 1,440.70 | 1,423.46 |
| Total | 2,995.58 | 2,825.03 |

vi The weighted duration of the defined obligation is 6.66 years (March 31, 2024 - 7.29 years)

vii The major categories of plan assets are as follows:

| Particulars | 31 March 2025 | 31 March 2024 |
|--------------|---------------|---------------|
| LIC of India | 100.00% | 100.00% |

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

c Risk Exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility : All plan assets for gratuity and superannuation are maintained in a trust managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

Changes in bond yields : A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of plans' bond holdings

Life expectancy: This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Future salary increase and inflation risk: Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

Asset-Liability mismatch risk: Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. The Company contributes to LIC which ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans.

(This space is left blank intentionally)



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 16: Other expenses

(Rs. in lakhs)

| Particulars | For the Year Ended 31 March 2025 | For the Year Ended 31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| Sub contract charges | 4,752.48 | 4,757.17 |
| Water Charges | 322.88 | 103.63 |
| Repairs and maintenance - Buildings | 257.65 | 254.03 |
| Repairs and maintenance - Plant and Machinery | 492.95 | 557.43 |
| Repairs and maintenance - Others | 49.98 | 40.16 |
| Communication Costs | 23.94 | 25.20 |
| Travelling and conveyance | 97.94 | 114.93 |
| Pollution Control Expenses | 45.81 | 37.58 |
| Printing and stationery | 23.07 | 23.75 |
| Legal and professional fees | 353.95 | 388.03 |
| Payments to auditor (refer Note 16(a) below) | 8.77 | 8.10 |
| Bank Charges | 0.02 | 0.07 |
| Security Charges | 273.02 | 313.16 |
| Miscellaneous expenses | 63.88 | 61.40 |
| Less: Reimbursement of expenses (Refer Note 17) | (6,766.34) | (6,684.65) |
| Total other expenses | - | - |

Note 16(a): Details of payments to auditors

(Rs.in lakhs)

| Particulars | For the Year Ended 31 March 2025 | For the Year Ended 31 March 2024 |
|----------------------------------|-------------------------------------|-------------------------------------|
| Payment to auditors | | |
| Audit fee | 2.90 | 2.40 |
| Tax audit fee | 0.70 | 0.60 |
| Agreed upon procedures | 5.10 | 4.35 |
| Re-imburement of expenses | 0.07 | 0.75 |
| Total payments to auditor | 8.77 | 8.10 |



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 17: Reimbursement of Expenses

Hospet Steels Limited is outcome of the Strategic Alliance between Kalyani Group and Mukand Group (together referred to as "Strategic Alliance Constituents) and is acting as a conduit pipe for and on behalf of the Strategic Alliance Constituents and hence no remuneration is payable to it. The actual expenses incurred by the Company in the course of carrying out its objectives including provisions for gratuity and leave entitlement to staff (except gain/loss on discard of PPE) are reimbursed by Strategic Alliance Constituents in a pre-determined mutually agreed "sharing ratio". In view of the same, there are no service charges recovered/revenue for the year. All the expenses reimbursed are given in table below:

(Rs. in lakhs)

| Particulars | For the Year Ended 31 March 2025 | For the Year Ended 31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| a) Employee benefits expense | 10,280.29 | 9,342.15 |
| b) Other expenses * | 6,766.34 | 6,684.65 |
| c) Remeasurement loss/(gain) on gratuity plan | 59.66 | 77.11 |
| Total reimbursement of expenses | 17,106.29 | 16,103.91 |

* This excludes debit notes raised by the KSL and ML through HSL to the suppliers/vendors for the supply of materials on chargeable basis amount to Rs.448.52 lakhs and Rs.179.80 lakhs respectively for the period March 31, 2025 (Rs. 532.74 lakhs and Rs. 193.63 lakhs for the period March 31, 2024).



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

| Particulars | (Rs. in lakhs) | |
|--|-------------------------------------|-------------------------------------|
| | For the Year Ended 31 March 2025 | For the Year Ended 31 March 2024 |
| Note 18: Remeasurement of defined benefit scheme (Other comprehensive income) | | |
| Remeasurement loss / (gain) on gratuity plan (Other comprehensive income) | 59.66 | 77.11 |
| Less: Reimbursement of expenses (Refer Note 17) | (59.66) | (77.11) |
| Total | - | - |

| Particulars | (INR in lakhs) | |
|---|-------------------------------------|-------------------------------------|
| | For the Year Ended 31 March 2025 | For the Year Ended 31 March 2024 |
| Note 19: Earnings per share | | |
| Profit attributable to the equity holders of the company (A) | - | - |
| Weighted average number of shares for Basic & Diluted EPS (B) | 2.50 | 2.50 |
| (a) Basic EPS (A/B) (Rs. per share) | - | - |
| (b) Diluted EPS (Rs. per share) | - | - |

Note 20: Contingent Liabilities and commitments
The Company does not have any contingent liabilities or commitment as at 31 March 2025 and 31 March 2024.



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 21: Related Party disclosures

a) Details of related parties:

| Description of relationship | Name of the related party |
|-----------------------------|---------------------------|
| Joint Control | Kalyani Steels Limited |
| Joint Control | Mukand Limited |

b) Details of related party transactions for the year ended on 31 March 2025 and balances outstanding as at 31 March 2025:

| Particulars | (Rs. in lakhs) | |
|---|-------------------------------------|-------------------------------------|
| | For The Year Ended 31 March 2025 | For The Year Ended 31 March 2024 |
| Related Party : | | |
| - due to Joint Control | | |
| Reimbursement of Expenses | | |
| Kalyani Steels Limited ** | 9,580.91 | 9,022.85 |
| Mukand Limited ** | 7,525.38 | 7,081.06 |
| Total | 17,106.29 | 16,103.91 |
| Balance outstanding as at close of the year *: | | |
| - due to Joint Control | | |
| Kalyani Steels Limited - Balance Receivable | 1,215.71 | 1,051.26 |
| Mukand Limited - Balance Receivable | 1,255.71 | 969.31 |
| Total | 2,471.42 | 2,020.57 |

*Disclosed under other financial assets.

* This excludes debit notes raised by the KSL and ML through HSL to the suppliers/vendors for the supply of materials on chargeable basis amount to Rs.448.52 lakhs and Rs.179.80 lakhs respectively for the period March 31, 2025 (Rs. 532.74 lakhs and Rs.193.63 lakhs for the period March 31,2024).

c) Terms & Conditions of transactions with related parties

Hospet Steels Limited is the outcome of the Strategic Alliance between Kalyani Group and Mukand Group (together referred to as "Strategic Alliance Constituents") and is acting as a conduit pipe for and on behalf of the Strategic Alliance Constituents and hence no remuneration is payable to it. The actual expenses incurred by the Company in the course of carrying out its objectives including provisions for gratuity and leave entitlement to staff (except gain/loss on discard of PPE) are reimbursed by Strategic Alliance Constituents in a pre-determined mutually agreed "sharing ratio". In view of the same there are no service charges recovered/revenue for the year. All the expenses which can be directly identified with the Hot Metal making & Steel Rolling activities and Steel making activity have been allocated to Kalyani Steels Limited and Mukand Limited respectively (except expenses directly identifiable to Non Destructive Testing (NDT) line in "RMS-1 Section" in steel rolling activities are allocated to Mukand Limited), while all common expenses and corporate expenses are recovered from the Strategic Alliance Constituents in the following manner:

| Name of the company | Percentage |
|------------------------|----------------|
| Kalyani Steels Limited | 41.38% |
| Mukand Limited | 58.62% |
| Total | 100.00% |

Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 22: The Honourable High Court of Karnataka, based on a preliminary hearing of writ petition filed by the Karnataka Employers Association of which the Company is a member, on 02 February 2016, has stayed the retrospective applicability of The Payment of Bonus (Amendment) Act, 2015 from 01 April 2014. The Honourable High Court has further ordered that the amended provision shall be implemented effective from 2015-16 pending disposal of the writ petition. Consequent to the above, the Company has not recorded the differential liability of bonus payable for the year 2014-15 aggregating Rs. 26.78 lakhs in its books. The Company has recorded the bonus liability for the year ended 31 March 2025 as per the amended Act, aggregating Rs. 114.37 lakhs (Previous year: Rs.114.83 lakhs) under the head "Employee Benefits Expense".

Note 23: The Company is acting as a conduit pipe for and on behalf of the "Strategic Alliance Constituents" namely Kalyani Group and Mukand Group and hence no remuneration is payable to it. As the basic nature of these services are governed by the same set of risk and returns, these have been considered as a single business segment and there are no reportable geographic segments. Hence, the segment reporting disclosure as envisaged in Indian Accounting Standard (Ind AS - 108) on Operating segment is not applicable to the Company.

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Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 24: Capital Management

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025 and 31 March 2024.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents.

(Rs. in lakhs)

| Particulars | 31 March 2025 | 31 March 2024 |
|---|-----------------|-----------------|
| Long term and short term borrowings | - | - |
| Less: cash and cash equivalents | (388.80) | (617.03) |
| Adjusted net debt | (388.80) | (617.03) |
| Total equity | (52.40) | (52.40) |
| Adjusted net debt to adjusted equity ratio | - | - |

(This space is left blank intentionally)



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 25: Fair value measurements

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities -

(Rs. in lakhs)

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|------------------------------------|---------------------|---------------------|
| | Carrying value | Carrying value |
| A. Financial assets | | |
| Measured at amortized cost: | | |
| Cash and cash equivalents | 388.80 | 617.03 |
| Loans | 12.66 | 11.00 |
| Other financial assets | 2,475.34 | 2,020.57 |
| Total | 2,876.80 | 2,648.60 |
| B. Financial liabilities | | |
| Measured at amortized cost: | | |
| Trade payables | 1,559.19 | 1,335.75 |
| Other financial liabilities | 771.24 | 712.03 |
| Total | 2,330.43 | 2,047.78 |

B. Measurement of fair value

Fair value of cash and long-term deposits, trade payables, other financial asset and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.



(This space is left blank intentionally)



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 26: Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activities expose it to a variety of financial risk such as credit risk and liquidity risk. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Reimbursement receivable (Other financial assets)

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each related party. However, credit risk with regards to reimbursement receivable is almost negligible for the company as the amount remains overdue for a period less than 6 months. Therefore no impairment is observed on the carrying value of reimbursement receivable.

ii. Cash and bank balances

The Company held cash and cash equivalent of Rs.388.80 lakhs at 31 March 2025 (31 March 2024: Rs.617.03 lakhs). The same are held with bank and financial institution counterparties with good credit rating, therefore does not expose the company to credit risk.

iii. Others

The Company has no other financial assets which carries any significant credit risk.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments, if any.

(Rs. in lakhs)

| Particulars | 1 year or less | 1-2 years | 2 years and above | Total |
|-----------------------------|-----------------|-----------|-------------------|-----------------|
| As at 31 March 2025 | | | | |
| Trade payables | 1,559.19 | - | - | 1,559.19 |
| Other financial liabilities | 771.24 | - | - | 771.24 |
| Total | 2,330.43 | - | - | 2,330.43 |
| As at 31 March 2024 | | | | |
| Trade payables | 1,335.75 | - | - | 1,335.75 |
| Other financial liabilities | 712.03 | - | - | 712.03 |
| Total | 2,047.78 | - | - | 2,047.78 |

Note: 27

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Notes forming Part of Financial Statements as at and for the year ended March 31, 2025

Note 28: Ratios as per Schedule III Requirements

a) **Current ratio:** The current ratio indicates a company's overall liquidity position. It is widely used by banks in making decisions regarding the advancing of working capital credit to their clients.

Current ratio = Current assets / Current liabilities

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|-------------------------------|------------------------|------------------------|
| Current assets | 3,237.85 | 2,894.03 |
| Current liabilities | 2,846.56 | 2,523.34 |
| Ratio | 1.14 | 1.15 |
| % change from previous period | -0.82% | -2.64% |

Reason for change more than 25%: Not Applicable

In addition to above ratios as specified by amended Schedule III, the following will not be applicable to the company (Refer Note 1)

- b) Debt-equity ratio
- c) Debt service coverage ratio
- d) Return on equity ratio
- e) Inventory turnover ratio
- f) Trade receivables turnover ratio
- g) Trade payables turnover ratio
- h) Net capital turnover ratio
- i) Net profit ratio
- j) Return on capital employed
- k) Return in investment

Note 29: Additional information as required by Schedule III of the Act:

1. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding Benami Property.
2. The Company do not have any transaction with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
3. There is no scheme of arrangement during the year.
4. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
5. The Company has not traded or invested in Crypto currency or in Virtual currency during the current and previous financial year.
6. The Company has no borrowings from banks or financial institutions on the basis of security of current assets. Hence, quarterly returns or statements of current assets were not required to be file with banks or financial institutions.
7. There are no charges for which registration or satisfaction is pending with Registrar of Companies (ROC).
8. Since the Company does not have any subsidiary, the provision of Section 2 clause 87 of the Act, read with Companies (Restriction on number of Layer) Rules 2017, is not applicable to the Company.
9. Since the Company has no borrowing, disclosure for Wilful Defaulter is not applicable.

Note 30: Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 relating to CSR and Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

Note 31: The previous year figures have been regrouped/reclassified wherever necessary to make them comparable with the current year's classification/disclosure.

As per our attached Report of even date

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No 103523W/W100048

Deepak Kabra

Partner

Membership No. : 133472

Place : Mumbai

Date : 29/04/2025

For and on behalf of the Board of Directors of

Hospet Steels Limited

R.K.Goyal

Director

DIN : 03050193

Place : Pune

Date : 29-04-2025

Neeraj Kant

Director

DIN : 06598469