

Independent Auditors' Report

To the Members of Neotrex Steel Limited (formerly known as Neotrex Steel Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Neotrex Steel Limited** ("the Company"), which comprise the balance sheet as at March 31, 2025, and the statement of profit and loss including the statement of other comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under sub-section (10) of Section 143 of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified 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, the management and Board of Directors are 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under clause (i) of sub-section (3) of Section 143 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.
- 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 and Board of Directors use of the going concern basis of accounting in preparation of financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section (3) of Section 143 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 except for the matters stated in paragraph (i) (vi) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014, as amended.
 - c. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with 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 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 sub-section (2) of Section 164 of the Act.
 - 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 B" to this report.



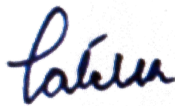
- g. In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above and paragraph (i) (vi) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014, as amended.
- i. 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 in financial statements – Refer note 33(a) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - 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 persons or entities, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are either material either individually or in aggregate) have been received by the Company from any person or entity, including foreign entity ("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 ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - (c) Based on the audit procedures that have been considered reasonable and appropriate on the circumstances, nothing has come to our notice that has caused us to believe that the representation 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 and paid dividend during the year.
 - vi. As more fully described in note 48 to the financial statements, based on our examination which included test checks, the Company has used accounting software for maintaining its books of account 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 except that, audit trail feature is not enabled for direct changes to data in the underlying database of SAP HR - Payroll application for certain users.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in respect of accounting software where the audit trail has been enabled. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year.

For **SHAH GUPTA & CO.,**

Chartered Accountants

Firm Registration No.: 109574W



Heneel K Patel

Partner

M. No. 114103

Unique Document Identification Number (UDIN) for this document is: 25114103BMNARS7761

Place: Mumbai

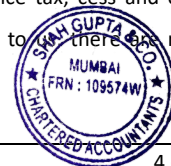
Date: April 28, 2025

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Neotrex Steel Limited of even date

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has physically verified the property, plant and equipment during the year. There was no material discrepancies noticed on physical verification.
- (c) The Company does not have any immovable property (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3 (i) (c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory by the Management, as compared to book records were not material and have been appropriately dealt with in the books of accounts. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect of such physical verification.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements including clarifications provided by the banks, the quarterly returns / statements along with subsequent revisions filed by the Company with the banks are in agreement with the books of account of the Company.
- (iii) The Company has not made investment in, provided any guarantee or security or granted any loans and advances in nature of loans, secured or unsecured to companies, firms, limited liability partnerships, or other parties during the year. Accordingly, reporting under clause 3 (iii) (a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Accordingly, reporting under clause 3 (iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, reporting under clause 3 (v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148 of the Act. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We are, however, not required to make a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no undisputed

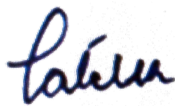


- amounts payable in respect of income tax, service tax, goods and service tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of sales tax, wealth tax, service tax, goods and service tax, income tax, duty of excise, duty of excise, value added tax, and cess which have not been deposited on account of any dispute.
- (viii) 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. Accordingly, reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lenders.
(b) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
(c) The money raised by way of the term loans have been applied by the Company during the year for the purpose for which it was raised.
(d) The Company has not obtained any short-term loans during the year. Accordingly, reporting under Clause 3 (ix) (d) of the Order is not applicable to the Company.
(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended March 31, 2025. Accordingly, reporting under paragraph 3 (ix) (e) of the Order is not applicable.
(f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended March 31, 2025. Accordingly, reporting under paragraph 3 (ix) (f) of the Order is not applicable.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3 (x) (a) of the Order is not applicable to the Company.
(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3 (x) (b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company or on the Company has been noticed or reported during the year.
(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) No whistle-blower complaints have been received during the year by the Company.
- (xii) The Company is not a Nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3 (xii) (a), (b) and (c) of the Order are not applicable to the Company.
- (xiii) Transactions 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 notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, reporting under clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the reporting under clause 3 (xvi) (a) of the Order is not applicable to the Company.
(b) The Company is not engaged in any non-banking financial / housing finance activities. Accordingly, the reporting under clause 3 (xvi) (b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.



- (d) We have been informed by the management that as at March 31, 2025 as per the definition of Group under Core Investment Companies (Reserve Bank) Directions 2016, there is one Core Investment Company (CIC) which is registered and four CICs which are not required to be registered with the Reserve Bank of India, forming part of the promoter group.
- (xvii) The Company has incurred cash losses of Rs.345.37 lakhs in the financial year. The Company has not incurred any cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) is not applicable to the Company.
- (xix) On the basis of the financial ratios (also refer Note 39 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a year of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a year of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) The requirements of Corporate Social Responsibility (CSR) contribution under section 135 of the Act is not applicable to the Company. Accordingly, reporting under clause 3 (xx) (a) & (b) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3 (xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said paragraph has been included in this report.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W



Heneel K Patel
Partner

M. No. 114103

Unique Document Identification Number (UDIN) for this document is: 25114103BMNARS7761

Place: Mumbai

Date: April 28, 2025

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section (3) of Section 143 of the Act

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under sub-section (10) of Section 143 of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these 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 system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

A Company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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.



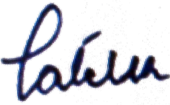
Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these financial statements and such internal financial controls were operating effectively as at March 31, 2025, based on the internal financial controls 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 issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W



Heneel K Patel

Partner

M. No. 114103

Unique Document Identification Number (UDIN) for this document is: 25114103BMNARS7761

Place: Mumbai

Date: April 28, 2025

Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Balance sheet as at 31 March 2025

(Amount in ₹ lakhs)

| | Notes | As at | |
|---|-------|------------------|------------------|
| | | 31 March 2025 | 31 March 2024 |
| I. ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 2.1 | 34,312.24 | 18,867.11 |
| (b) Capital work-in-progress | 2.2 | 226.26 | 16,300.36 |
| (c) Right-of-use assets | 2.3 | 43.99 | 47.88 |
| (d) Intangible assets | 2.4 | 5.40 | 7.20 |
| (e) Intangible assets under development | 2.5 | 4.86 | 4.86 |
| (f) Financial assets | | | |
| (i) Investments | 3 | 387.29 | 380.80 |
| (ii) Other financial assets | 4 | 760.59 | 734.33 |
| (g) Deferred tax assets (net) | 23 | 85.91 | - |
| (h) Current tax assets (net) | 24 | 29.34 | 33.92 |
| (i) Other non-current assets | 5 | 109.03 | 17.28 |
| Total non-current assets | | 35,964.91 | 36,393.74 |
| Current assets | | | |
| (a) Inventories | 6 | 5,813.19 | 3,335.46 |
| (b) Financial assets | | | |
| (i) Trade receivables | 7 | 3,578.43 | 4,117.96 |
| (ii) Cash and cash equivalents | 8 | 256.37 | 450.55 |
| (iii) Bank balances other than (ii) above | 9 | 314.21 | 297.65 |
| (iv) Other financial assets | 10 | 3,368.34 | 1,101.53 |
| (c) Other current assets | 11 | 2,216.32 | 1,637.31 |
| Total current assets | | 15,546.86 | 10,940.46 |
| Total assets | | 51,511.77 | 47,334.20 |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 12 | 2.45 | 2.45 |
| (b) Instruments entirely equity in nature | 13 | 11,997.55 | 11,997.55 |
| (c) Other equity | 14 | (388.43) | 819.04 |
| Total equity | | 11,611.57 | 12,819.04 |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 16,227.57 | 19,432.84 |
| (ii) Lease liabilities | 2.3 | 1.47 | 1.56 |
| (b) Provisions | 16 | 16.36 | 6.59 |
| (c) Deferred tax liabilities (net) | 23 | - | 158.59 |
| (d) Other non-current liabilities | 17 | 1,386.75 | 1,413.99 |
| Total non-current liabilities | | 17,632.15 | 21,013.57 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 4,209.61 | 2,331.11 |
| (ii) Lease liabilities | 2.3 | 0.26 | 0.26 |
| (iii) Trade payables | 19 | | |
| (a) Total outstanding, dues of micro and small enterprises | | 198.96 | 75.41 |
| (b) Total outstanding, dues of creditors other than micro and small enterprises | | 15,949.96 | 8,151.42 |
| (iv) Other financial liabilities | 20 | 1,045.74 | 2,310.06 |
| (b) Provisions | 21 | 0.36 | 0.06 |
| (c) Other current liabilities | 22 | 863.16 | 633.28 |
| Total current liabilities | | 22,268.05 | 13,501.60 |
| Total liabilities | | 39,900.20 | 34,515.16 |
| Total equity and liabilities | | 51,511.77 | 47,334.20 |

See accompanying notes to the financial statements

As per our attached report of even date.

For SHAH GUPTA & CO.

Chartered Accountants

FRN No. 109574W

Heneel K Patel
Partner

M.No. 114103

UDIN : 25114103BMNARS7761

Place : Mumbai

Date: 28.04.2025



For and on behalf of the Board of Directors

Amit Agarwal
Director
DIN: 09204911

Lokendra Raj Singh
Director
DIN: 10573891

Chandrasekaran Prabhakaran
Director
DIN: 03573049

Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Statement of profit and loss for the year ended 31 March 2025

(Amount in ₹ lakhs)

| | Notes | Year ended 31 March, 2025 | Year ended 31 March, 2024 |
|---|-------|------------------------------|------------------------------|
| I Revenue from operations | 25 | 54,971.57 | 35,416.91 |
| II Other income | 26 | 161.04 | 112.61 |
| III Total income (I + II) | | 55,132.61 | 35,529.52 |
| IV Expenses: | | | |
| Cost of materials consumed | 27 | 45,966.86 | 28,941.58 |
| Changes in inventories of finished and semi-finished goods, work-in-progress and stock-in-trade | 28 | (784.80) | (1,270.45) |
| Employee benefits expense | 29 | 452.46 | 444.52 |
| Finance costs | 30 | 2,378.84 | 1,239.04 |
| Depreciation and amortisation expense | 31 | 1,148.55 | 724.19 |
| Other expenses | 32 | 7,429.81 | 5,037.64 |
| Total expenses | | 56,591.72 | 35,116.52 |
| V Profit before exceptional items and tax (III-IV) | | (1,459.11) | 413.00 |
| VI Exceptional items | | - | - |
| VII Profit before tax (V-VI) | | (1,459.11) | 413.00 |
| VIII Tax expense | 23 | | |
| Current tax | | - | - |
| Deferred tax | | (250.38) | 72.70 |
| Total tax expenses | | (250.38) | 72.70 |
| IX Profit for the year (VII-VIII) | | (1,208.73) | 340.30 |
| X Other comprehensive income/ (loss) | | | |
| A (i) Items that will not be reclassified to profit or loss | | | |
| (a) Re-measurements of the defined benefit plans | | 0.66 | (0.82) |
| (b) Equity instruments through other comprehensive income | | 6.48 | 207.40 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (5.88) | (23.73) |
| Total (A) | | 1.26 | 182.85 |
| B (i) Items that will be reclassified to profit or loss | | - | - |
| Total (B) | | - | - |
| Total other comprehensive income (A+B) | | 1.26 | 182.85 |
| XI Total comprehensive income / (loss) (IX + X) | | (1,207.47) | 523.15 |
| XII Earnings per equity share of ₹ 10 each | 36 | | |
| Basic (in ₹) | | (1.01) | 0.28 |
| Diluted (in ₹) | | (1.01) | 0.28 |

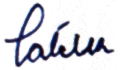
See accompanying notes to the financial statements

As per our attached report of even date.

For SHAH GUPTA & CO.

Chartered Accountants

FRN No. 109574W



Heneel K Patel

Partner

M No. 114103

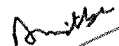
UDIN 25114103BMNARS7761

Place : Mumbai

Date: 28.04.2025



For and on behalf of the Board of Directors



Amit Agarwal

Director

DIN: 09204911



Lokendra Raj Singh

Director

DIN: 10573891



Chandrasekaran Prabhakaran

Director

DIN: 03573049

Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Statement of changes in equity for the year ended 31 March 2025

A. Equity share capital

| Particulars | (Amount in ₹ lakhs) | |
|--------------------------|---------------------|--|
| | Amount | |
| As at 01 April 2023 | 2.45 | |
| Movement during the year | - | |
| As at 31 March 2024 | 2.45 | |
| Movement during the year | - | |
| As at 31 March 2025 | 2.45 | |

B. Instruments entirely equity in nature

| Particulars | (Amount in ₹ lakhs) | |
|--|---------------------|--|
| | Amount | |
| As at 01 April 2023 | 11,997.55 | |
| Issue of Compulsory Convertible Debentures | - | |
| As at 31 March 2024 | 11,997.55 | |
| Issue of Compulsory Convertible Debentures | - | |
| As at 31 March 2025 | 11,997.55 | |

C. Other Equity

| Particulars | Reserves and surplus | | Items of Other Comprehensive Income / (Loss) (OCI) | Total |
|--|----------------------|---|---|------------|
| | Retained earnings | Equity instruments through other comprehensive income | Equity instruments through other comprehensive income | |
| | | | | |
| Opening balances as at 01 April 2023 | | | | |
| Profit for the year | 326.08 | | (30.19) | 295.89 |
| Other comprehensive income for the year, net of income tax | 340.30 | | - | 340.30 |
| Balances as at 31 March 2024 | (0.82) | | 183.67 | 182.85 |
| Profit for the period | 665.56 | | 153.48 | 819.04 |
| Other comprehensive income for the year, net of income tax | (1,208.73) | | - | (1,208.73) |
| Closing balance as at 31 March 2025 | 0.66 | | 0.60 | 1.26 |
| | (542.50) | | 154.08 | (388.43) |

See accompanying notes to the financial statements
As per our attached report of even date.

For SHAH GUPTA & CO.

Chartered Accountants
FRN No. 109574W

laker

Henceel K Patel
Partner

M No. 114103

UDIN : 25114103BMNARS7761

Place : Mumbai

Date: 28.04.2025



For and on behalf of the Board of Directors

Amit Agarwal

Amit Agarwal
Director
DIN: 09204911

Lokendra Raj Singh

Lokendra Raj Singh
Director
DIN: 10573891

Chandrasekaran Prabhakaran

Chandrasekaran Prabhakaran
Director
DIN: 03573049

Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Statement of cash flows for the year ended 31 March 2025

(Amount in ₹ lakhs)

| Particulars | Year ended | |
|---|-------------------|--------------------|
| | 31 March, 2025 | 31 March, 2024 |
| Cash flow from operating activities | | |
| Profit before tax | (1,459.11) | 413.00 |
| Adjustments for : | | |
| Depreciation and amortisation expenses | 1,148.55 | 724.19 |
| Interest income | (72.91) | (78.59) |
| Gain arising of financial instruments designated as FVTPL | (2.40) | (2.20) |
| Export obligation deferred income amortisation | (32.41) | (6.03) |
| Dividend income | (1.44) | 1.44 |
| Interest expense | 2,378.84 | 1,239.04 |
| Unrealised exchange (gain) /loss (net) | 0.39 | 11.88 |
| Operating profit before working capital changes | 1,959.51 | 2,302.73 |
| Adjustments for : | | |
| (Increase) in inventories | (2,477.74) | (283.79) |
| Decrease in trade receivables | 539.53 | 1,009.22 |
| (Increase) in other assets | (2,877.14) | (569.32) |
| Increase in trade payables | 7,922.09 | 536.16 |
| Increase / (Decrease) in other liabilities | (624.39) | 1,188.82 |
| Increase / (Decrease) in provisions | 10.74 | (0.99) |
| Cash flow from operations | 4,452.60 | 4,182.83 |
| Income taxes paid (net of refund received) | 4.58 | (16.75) |
| Net cash generated from operating activities (A) | 4,457.18 | 4,166.08 |
| Cash flow from investing activities | | |
| Purchase of property, plant & equipment, intangible assets (including under development and capital advances) | (1,059.13) | (11,682.01) |
| Bank deposits not considered as cash and cash equivalents (net) | (86.60) | (157.65) |
| Dividend received | 1.44 | (1.44) |
| Interest received | 159.01 | 42.54 |
| Net cash used in investing activities (B) | (985.28) | (11,798.56) |
| Cash flow from financing activities | | |
| Proceeds from inter-corporate loans from related party | 700.00 | - |
| Proceeds from non-current borrowings | 308.91 | 8,190.74 |
| Proceeds from/ (repayment) of current borrowings (net) | (2,335.68) | 26.27 |
| Repayment of lease liabilities | (0.09) | (0.08) |
| Interest paid | (2,339.22) | (1,220.81) |
| Net cash generated/ (used) in financing activities (C) | (3,666.08) | 6,996.12 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (194.18) | (636.36) |
| Cash and cash equivalents - opening balances | 450.55 | 1,086.91 |
| Cash and cash equivalents - closing balances (refer note 8) | 256.37 | 450.55 |

Reconciliations part of cash flows

| Particulars | 1 April 2024 | Cash flows(net) | New leases | Other [#] | 31 March 2025 |
|---|------------------|-------------------|------------|--------------------|------------------|
| Non current borrowings | | | | | |
| Term loans (including current maturities of long term borrowing included in current borrowings note 18) | 21,563.95 | (2,052.30) | - | 25.54 | 19,537.18 |
| Inter- corporate loans (including current maturities) | 200.00 | 700.00 | - | - | 900.00 |
| | 21,763.95 | (1,352.30) | - | 25.54 | 20,437.18 |
| Lease liabilities (including current maturities) | 1.82 | (0.09) | - | - | 1.73 |

Reconciliations part of cash flows

| Particulars | 1 April 2023 | Cash flows(net) | New leases | Other [#] | 31 March 2024 |
|---|------------------|-----------------|------------|--------------------|------------------|
| Non current borrowings | | | | | |
| Term loans (including current maturities of long term borrowing included in current borrowings note 18) | 13,346.94 | 8,190.74 | - | 26.28 | 21,563.95 |
| Inter- corporate loans (including current maturities) | 200.00 | - | - | - | 200.00 |
| | 13,546.94 | 8,190.74 | - | 26.28 | 21,763.95 |
| Lease liabilities (including current) | 1.90 | (0.08) | - | - | 1.82 |

[#] Other comprises of upfront fees amortization

Notes :

- The cash flow statement is prepared using the "indirect method" set out in Ind AS 7 - Statement of Cash Flows
- Net cash used in investing activities excludes non-cash transactions such as fair valuation of investments, payable for capital projects, foreign exchange gain/loss etc.

See accompanying notes to the financial statements

As per our attached report of even date.

For SHAH GUPTA & CO.

Chartered Accountants

FRN No. 109574W

Laksh

Heneel K Patel
Partner

M No. 114103

U DIN : 25114103BMNARS7761

Place : Mumbai

Date: 28.04.2025



For and on behalf of the Board of Directors

Amit Agarwal

Amit Agarwal
Director

DIN: 09204911

Lokendra Raj Singh

Lokendra Raj Singh
Director

DIN: 10573891

Chandrasekaran Prabhakaran

Chandrasekaran Prabhakaran
Director

DIN: 03573049

Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

Note 1 Material accounting policies (continued)

Company overview:

Neotrex Steel Limited (Formerly known as "Neotrex Steel Private Limited") ("the Company") was incorporated on October 25, 2019 under the Companies Act, 2013. The registered office of the Company is situated at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 and is primarily engaged in the business of manufacture of Low Relaxation Prestressed Concrete (LRPC) wire rods. The holding company of Neotrex Steel Limited is "JSW Steel Limited".

a) Material accounting policies

I Statement of compliance

Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statement.

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

These financial statements are approved for issue by the Board of Directors on April 28, 2025.

II Basis of preparation and presentation

Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting year, as explained in the accounting policies below.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, fair value of plan assets within scope of Ind AS 19 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date,
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b) Functional and Presentation Currency

The financial statements are presented in Indian rupees (Rs.) which is also the Company's functional currency, and the amounts are rounded off to lakhs with two decimal places, unless otherwise stated.

c) Current and non-current classification

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

An asset is current, when it satisfies any of the following criteria:

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

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

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

Current liabilities include the current portion of non-current liabilities. All other liabilities are classified as non-current.

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

Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Accordingly, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)
Note 1 Material accounting policies (continued)

d) Revenue recognition

A. Sale of Goods

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

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

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

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

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

Contract balances

i) Contract assets

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

ii) Trade receivables

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

Trade receivables is derecognised when the Company transfers substantially all the risks and rewards of ownership of the asset to another party including discounting of bills on a nonrecourse basis.

iii) Contract liabilities

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

iv) Refund liabilities

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

B. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)
Note 1 Material accounting policies (continued)

e) Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken to improve the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under Capital work in progress. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalised.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc. The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis

| <u>Class of assets</u> | <u>Years</u> |
|------------------------|----------------|
| Plant and equipment | 20 to 30 years |

Derecognition

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. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss when the asset is derecognised.

Gains and losses arising from derecognition of property plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows

| <u>Class of assets</u> | <u>Years</u> |
|------------------------------|--------------|
| Computer Software & Licenses | 5 years |

g) Impairment

At each reporting date, management reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. The recoverable amount of an asset is the greater of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)
Note 1 Material accounting policies (continued)

h) Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the year

Current and deferred tax are recognised in profit and loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

i) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of semi-finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)
Note 1 Material accounting policies (continued)

j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, 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 lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term and the lease term is as follows.

| Class of assets | Years |
|------------------------|--------------|
| Leasehold land | 15 Years |

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment test.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)
Note 1 Material accounting policies (continued)

l) Foreign currency transactions

These financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

n) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on fulfilling the eligibility conditions.

Government incentives includes grants on account of duty saved on import of capital goods and spares (property, plant and equipment) under the EPCG (Export Promotion Capital Goods) scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

o) Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the Balance sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of profit and loss. Past service cost is recognised in Statement of profit and loss in the year of a plan amendment or when the company recognises corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in Statement of profit and loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)
Note 1 Material accounting policies (continued)

o) Employee benefits (continued)

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

p) Earnings per share

Basic earnings per share is computed by dividing the profit and loss after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

q) Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

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

A. Financial Assets

i. Recognition and initial measurement

A financial asset or financial liability is initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue of the financial asset or financial liability. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

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



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)
Note 1 Material accounting policies (continued)

q) Financial instruments (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)
Note 1 Material accounting policies (continued)

q) Financial instruments (continued)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

A financial liability is classified as held for trading if:

It has been incurred principally for the purpose of repurchasing it in the near term; or

on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise:

the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss.

v. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)
Note 1 Material accounting policies (continued)

q) Financial instruments (continued)

- Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
 - a breach of contract such as a default and overdue;
 - the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
 - it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
 - the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Measurement and presentation of allowances for expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is not charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

vi. Impairment of non-financial assets

The Company's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are accompanied together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication 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. Such a reversal is made 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.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)
Note 1 Material accounting policies (continued)

r) Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalent consists of cash and short-term deposits, as defined above.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of directors of the Company has been identified as the Chief Operating Decision Maker which reviews and assesses the financial performance and makes the strategic decisions.

t) Key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year

i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods

ii) Classification of financial instruments as equity or liability

Significant judgement is required to assess whether an instrument is Equity or financial liability. Management has exercised significant judgement to evaluate the terms and conditions of certain financial instruments with reference to the applicability of contingent settlement provisions, evaluation of whether options under the contract will be derivative or a non-derivative, assessing if certain settlement terms are within the control of the Company and if not whether the occurrence of these events are extremely rare, highly abnormal and very unlikely, clarifications between the parties to the agreement subsequent to the date of the agreement to conclude that the instruments be classified as an equity instrument.

iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognised nor disclosed in the financial statements unless when an inflow of economic benefits is probable.

iv) Fair value measurements

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

Critical estimates and judgements

v) Incentives under the Karnataka Industrial Policy

The Company is classified as Mega Enterprise (projects with an investment in fixed assets above 250 crore and up to 500 crore) under the Karnataka Industrial Policy 2020-2025.

Subsidy is 2% of Turnover from sale of manufactured goods of the Company for a maximum of 8 years subject to 50% of VFA (value of eligible Fixed Asset)

The Company has completed the project and also fulfilled the conditions as per the policy and in the process of obtaining the eligibility certificate from the Government. The Company believes that it will receive the eligibility certificate and also incentive amount will be received from the department. Accordingly, the Company has recognised the grant income amounting to Rs.1060.75 lakhs for the year ended 31 March 2025.

u) Recent accounting pronouncements

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended, notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback - Amendments to Ind AS 116

Their adoption has not had any significant impact on the amounts reported in the financial statements.



2.1 - Property, Plant and Equipment

| Particulars | ₹ Amount in ₹ lakhs | | | | | |
|---------------------------------|---------------------|---------------------|------------------------|------------------|-----------|-----------------------|
| | Buildings | Plant and machinery | Furniture and fittings | Office equipment | Computers | Total tangible assets |
| Cost/deemed cost | | | | | | |
| At 31 March 2023 | | | | | | 19,732.09 |
| Additions | 2,287.85 | 17,338.31 | 23.17 | 70.57 | 12.10 | 113.34 |
| At 31 March 2024 | | 34.46 | 43.40 | 25.04 | 10.64 | 19,845.54 |
| Additions | 2,287.85 | 17,372.77 | 66.57 | 95.61 | 22.74 | 16,387.99 |
| At 31 March 2025 | 4,239.64 | 31,949.40 | 103.47 | 112.84 | 28.18 | 36,433.53 |
| Accumulated depreciation | | | | | | |
| At 31 March, 2023 | | | | | | |
| Depreciation | 32.32 | 198.20 | 6.05 | 18.10 | 5.27 | 259.94 |
| At 31 March 2024 | 87.39 | 602.22 | 5.37 | 16.12 | 7.39 | 718.49 |
| Depreciation charge | 119.71 | 800.42 | 11.42 | 34.22 | 12.66 | 978.43 |
| At 31 March 2025 | 147.33 | 958.17 | 9.37 | 20.02 | 7.97 | 1,142.86 |
| Net book value | 267.04 | 1,758.59 | 20.79 | 54.24 | 20.63 | 2,121.29 |
| At 31 March 2025 | 3,972.59 | 30,190.81 | 82.68 | 58.60 | 7.55 | 34,312.24 |
| At 31 March 2024 | 2,168.14 | 16,572.35 | 55.15 | 61.39 | 10.08 | 18,867.11 |

a. Included other adjustments

| Particulars | ₹ Amount in ₹ lakhs | | | |
|---|-------------------------------|---------------------|--------------------------|---------------------|
| | Property, plant and equipment | | Capital work-in-progress | |
| | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| Borrowing cost | | | | |
| Foreign exchange loss (gain) (including regarded as an adjustment to borrowing costs) | 738.76 | - | - | 658.78 |

Note: Details of pledge against borrowings are disclosed in note no. 15

2.2 - CWIP ageing schedule:

For CWIP, whose completion is overdue or has exceeded its cost compared to its original plan, completion schedule is as below

| Particulars | less than 1 year | To be Completed in | | | Total |
|-------------|------------------|--------------------|-----------|-------------------|--------|
| | | 1-2 years | 2-3 years | more than 3 years | |
| Canteen | | | | | |
| | 226.26 | | | | 226.26 |

Normal capital expenditure item are capital expenditure that do not have any specific timeline for completion and are individually not material

2.3 Right-of-use assets and Lease liability

| Particulars | ₹ Amount in ₹ lakhs | |
|------------------------------------|---------------------|---------------------|
| | As at 01 April 2023 | As at 31 March 2024 |
| Land | | |
| Depreciation charge for the year | | 51.77 |
| As at 31 March 2024 | | 3.89 |
| Depreciation charge for the period | | 47.88 |
| As at 31 March 2025 | | 3.89 |
| | | 43.99 |

Lease liabilities

| Particulars | ₹ Amount in ₹ lakhs | |
|-------------------------|---------------------|---------------------|
| | As at 01 April 2023 | As at 31 March 2024 |
| Interest accrued | | 1.90 |
| lease principal payment | | 0.17 |
| lease interest payment | | (0.08) |
| As at 31 March 2024 | | (0.17) |
| Additions | | 1.82 |
| Interest accrued | | - |
| lease principal payment | | 0.17 |
| lease interest payment | | (0.09) |
| As at 31 March 2025 | | (0.17) |
| | | 1.73 |

Breakup of lease liabilities:

| Particulars | ₹ Amount in ₹ lakhs | |
|-------------------------|---------------------|---------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Current | | |
| Non-current | 0.26 | 0.26 |
| Total lease liabilities | 1.47 | 1.56 |
| | 1.73 | 1.82 |

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2025 on an undiscounted basis

| Particulars | ₹ Amount in ₹ lakhs | |
|-------------------------|---------------------|---------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Less than 1 year | | |
| 1-5 years | 0.25 | 0.25 |
| More than 5 years | 1.00 | 1.00 |
| Total lease liabilities | 1.64 | 1.80 |
| | 2.89 | 3.14 |

The Company does not face a significant liquidity risk with regard to its lease liabilities, as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
The Company has recognised Rs. 3.35 Lakhs (March 31, 2024 - Rs. 5.62 lakhs) as rent expenses during the year which pertains to short term lease - low value asset which was not recognised as part of right of use asset.



2.4 - Intangible Assets

| Particulars | Amount in ₹ Lakhs |
|--------------------------|-------------------|
| Computer Software | |
| Cost | |
| At 31 March 2023 | - |
| Additions | - |
| At 31 March 2024 | 9.00 |
| Additions | - |
| At 31 March 2025 | 9.00 |
| Accumulated amortisation | 9.00 |
| At 31 March, 2023 | - |
| Amortisation | - |
| As at 31 March 2024 | 1.80 |
| Amortisation | - |
| As at 31 March 2025 | 1.80 |
| Net book value | 1.80 |
| At 31 March 2025 | 3.60 |
| At 31 March 2024 | 5.40 |
| | 7.20 |



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
 Notes to the financial statements for the year ended 31 March 2025 (continued)

2.5 - Intangible Assets under Development

| Particulars | ₹ Amount in ₹ Lakhs | |
|------------------------|---------------------|------------|
| | | Trade mark |
| Cost | | |
| As at 1 April, 2023 | | 4.86 |
| Additions/ Transfer in | | - |
| As at 31 March 2024 | | 4.86 |
| Additions/ Transfer in | | - |
| As at 31 March 2025 | | 4.86 |

Note: Intangible assets under development include expenditure incurred on trademark registration.

Intangible assets under development ageing schedule is as below:

For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, completion schedule is as below

| Particulars | To be Completed in | | | | Total |
|------------------------------|--------------------|----------------|----------------|-------------------|-------|
| | - Less than 1 year | - 1 to 2 years | - 2 to 3 years | More than 3 years | |
| Trade mark under development | 4.86 | | | | 4.86 |



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

3 Investments (Non-Current)

Investment in equity instruments
Quoted - Others (at fair value through OCI)
JSW Energy Limited
72,000 (31 March 2024 - 72,000) equity shares of Rs. 10 each -

Quoted
Aggregate book value
Aggregate market value
Investment at fair value through other comprehensive income

| | | Amount in ₹ lakhs | |
|--|--|-------------------|---------------|
| | | As at | As at |
| | | 31 March 2025 | 31 March 2024 |
| | | 387.29 | 380.80 |
| | | 387.29 | 380.80 |
| | | 387.29 | 380.80 |
| | | 387.29 | 380.80 |

4 Other non-current financial assets

Unsecured and considered good
Security deposits (refer note 37)
Interest receivable on bank deposits
Bank balances with maturity more than 12 months (Margin money)
Less: Allowance for doubtful receivables

| | | Amount in ₹ lakhs | |
|--|--|-------------------|---------------|
| | | As at | As at |
| | | 31 March 2025 | 31 March 2024 |
| | | 330.55 | 327.65 |
| | | - | 46.68 |
| | | 430.04 | 360.00 |
| | | 760.59 | 724.33 |

5 Other non-current assets

Unsecured and considered good
Capital advances
Other receivables

| | | Amount in ₹ lakhs | |
|--|--|-------------------|---------------|
| | | As at | As at |
| | | 31 March 2025 | 31 March 2024 |
| | | 100.46 | 8.58 |
| | | 8.57 | 8.70 |
| | | 109.03 | 17.28 |

6 Inventories

Raw materials (at cost)
Semi finished / finished goods (at cost or net realisable value)
Production consumables and stores & spares (at cost)

| | | Amount in ₹ lakhs | |
|--|--|-------------------|-----------------|
| | | As at | As at |
| | | 31 March 2025 | 31 March 2024 |
| | | 1,637.88 | 178.62 |
| | | 3,358.18 | 2,573.38 |
| | | 817.12 | 583.46 |
| | | 5,813.19 | 3,335.46 |

* Includes finished goods stock-in-transit of Rs. 589.81 Lakhs (31 March 2024 - Rs. 770.35 Lakhs)
Value of inventories above is stated after write down to net realisable value of Rs. 136.87 lacs (March 31, 2024 - Rs Nil).
These were recognised as an expense during the year and included in changes in inventories of finished goods and semi-finished goods

7 Trade receivables (current)

Trade Receivables considered good - Secured
Trade receivables considered good - Unsecured
Trade Receivables which have significant increase in credit risk
Less: Allowance for doubtful debts
Trade Receivables - credit impaired
Less: Allowance for doubtful debts

| | | Amount in ₹ lakhs | |
|--|--|-------------------|-----------------|
| | | As at | As at |
| | | 31 March 2025 | 31 March 2024 |
| | | - | - |
| | | 3,578.43 | 4,117.96 |
| | | - | - |
| | | - | - |
| | | - | - |
| | | 3,578.43 | 4,117.96 |

Ageing as at March 31, 2025:

| Particulars | Not yet due | Outstanding for following periods from due date of payment | | | | | Total |
|---|-----------------|--|--------------------|--------------|--------------|-------------------|-----------------|
| | | Less than 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed trade receivables - considered good | 3,480.66 | 90.08 | 7.69 | - | - | - | 3,578.43 |
| Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables - credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - |
| Disputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | - | - | - | - |
| Less: Allowance for doubtful debts | - | - | - | - | - | - | - |
| Total | 3,480.66 | 90.08 | 7.69 | - | - | - | 3,578.43 |

Ageing as at March 31, 2024:

| Particulars | Not yet due | Outstanding for following periods from due date of payment | | | | | Total |
|---|-----------------|--|--------------------|--------------|--------------|-------------------|-----------------|
| | | Less than 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed trade receivables - considered good | 3,564.03 | 529.41 | 24.52 | - | - | - | 4,117.96 |
| Undisputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Undisputed trade receivables - credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables - considered good | - | - | - | - | - | - | - |
| Disputed trade receivables - which have significant increase in credit risk | - | - | - | - | - | - | - |
| Disputed trade receivables - credit impaired | - | - | - | - | - | - | - |
| Less: Allowance for doubtful debts | - | - | - | - | - | - | - |
| Total | 3,564.03 | 529.41 | 24.52 | - | - | - | 4,117.96 |

The credit period on sales of goods ranges from 7 to 120 days with or without security.
Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year.

The Company does not generally hold any collateral or other credit enhancements over these balances and does not have a legal right of offset against any amounts owed by the Company to the counterparty.

Credit risk management regarding trade receivables has been described in note 41.

Trade receivable from related parties - Details has been described in note 37.

Trade receivables does not include any receivables from directors and officers of the company.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

| | | ₹ Amount in ₹ Lakhs | |
|-----------|--|------------------------|------------------------|
| | | As at 31 March 2025 | As at 31 March 2024 |
| 8 | Cash and cash equivalents | | |
| | Balances with Banks | | |
| | - In current accounts | 241.10 | 450.55 |
| | - In term deposit accounts with maturity less than 3 months at inception | 15.27 | - |
| | | <u>256.37</u> | <u>450.55</u> |
| 9 | Bank balances other than cash and cash equivalents | | |
| | Balances with Banks in term deposit accounts | | |
| | - with maturity more than 3 months but less than 12 months at inception | 314.21 | 297.65 |
| | | <u>314.21</u> | <u>297.65</u> |
| 10 | Other current financial assets | | |
| | Government grant income receivable | 1,768.75 | 708.00 |
| | Export benefits and entitlements receivable | 8.59 | - |
| | Discounts/ rebates receivable | 1,591.00 | 354.11 |
| | Interest receivable | | |
| | - on bank deposits | - | 13.41 |
| | - on security deposits (accrued but not due) | 0.00 | 26.01 |
| | | <u>3,368.34</u> | <u>1,101.53</u> |
| 11 | Other current assets | | |
| | Unsecured and considered good | | |
| | Other Advances | | |
| | - Advance to suppliers | 40.72 | 16.83 |
| | - Indirect tax balances/ recoverable credits | 1,876.16 | 1,562.43 |
| | - Goods & Services Tax refund receivable | 116.95 | - |
| | - Other receivables | 103.83 | - |
| | - Prepayments and others | 78.67 | 58.05 |
| | | <u>2,216.33</u> | <u>1,637.31</u> |
| 12 | Equity share capital | | |
| | Authorised capital | | |
| | 50,000 (31 March 2024 - 50,000) Equity shares of the par value of ₹ 10 each | 5.00 | 5.00 |
| | Issued, subscribed and fully paid-up capital | | |
| | 24,500 (31 March 2024 - 24,500) Equity shares of the par value of ₹ 10 each | 2.45 | 2.45 |
| | | <u>2.45</u> | <u>2.45</u> |
| | Rights, preferences and restrictions attached to equity shares: | | |
| | The Company has a single class of equity shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. | | |
| | ii Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year: | | |
| | | As at 31 March 2025 | As at 31 March 2024 |
| | Particulars | Number of shares | Amount in Rs. Lakhs |
| | Shares outstanding at the beginning of the year | 24,500 | 2.45 |
| | Issue of shares during the year | - | - |
| | Shares outstanding at the end of the year | <u>24,500</u> | <u>2.45</u> |
| | iii Details of shareholder holding more than 5% shares in the company are set out below | | |
| | | As at 31 March 2025 | As at 31 March 2024 |
| | Particulars | Number of shares | % Holding |
| | JSW Steel Limited | 19,600 | 80% |
| | Jayant Padgilwar | 2,450 | 10% |
| | Dilip Paganva | 2,450 | 10% |
| | iv Details of shares held by the Holding Company | | |
| | | As at 31 March 2025 | As at 31 March 2024 |
| | Particulars | Number of shares | % Holding |
| | JSW Steel Limited | 19,600 | 80% |
| | v Promoters' Shareholding : | | |
| | | As at 31 March 2025 | As at 31 March 2024 |
| | Particulars | Number of shares | % Holding |
| | JSW Steel Limited | 19,600 | 80% |
| | Jayant Padgilwar | 2,450 | 10% |
| | Dilip Paganva | 2,450 | 10% |
| | | <u>24,500</u> | <u>100%</u> |
| | Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the year of five years immediately preceding the date of the balance sheet - "Nil" | | |
| 13 | Instruments entirely equity in nature | | |
| | Zero Coupon Compulsory convertible debentures (refer note below) | | |
| | | As at 31 March 2025 | As at 31 March 2024 |
| | | 11,997.55 | 11,997.55 |
| | | <u>11,997.55</u> | <u>11,997.55</u> |
| | Zero Coupon Compulsory convertible debentures (CCDs) | | |
| | The Company has outstanding 119,975,500 (31 March 2024 - 119,975,500) unsecured, Zero coupon compulsorily convertible debentures (CCDs) of Rs. 10 - each. Convertible into equity shares of the company in the ratio of 1:1 at any time after 3 months but before expiry of 120 months from the date of allotment. The said CCDs are interest free and non-redeemable in nature. | | |



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

| | ₹ Amount in ₹ Lakhs | |
|---|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| 14 Other equity | | |
| Retained earnings (refer note 1) | | |
| Other Comprehensive Income: | (542.50) | 665.56 |
| Equity instruments through other comprehensive income (refer note ii) | 154.07 | 153.48 |
| | (388.43) | 819.04 |

- 1 Retained earnings**
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.
- ii Equity instruments through other comprehensive income**
The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

15 Borrowings (at amortised cost)

| | ₹ Amount in ₹ Lakhs | | | |
|---|------------------------|-------------------|------------------------|-------------------|
| | As at 31 March 2025 | | As at 31 March 2024 | |
| | Non-current | Current | Non-current | Current |
| Secured | | | | |
| Term loans from banks (refer note (i) below) | 16,301.31 | 3,337.00 | 19,334.62 | 2,355.99 |
| Unsecured | | | | |
| Inter corporate loans from related parties (refer note 37 & refer ii below) | - | 900.00 | 200.00 | 0 |
| Amortised upfront fees on borrowing | 16,301.31 | 4,237.00 | 19,534.62 | 2,355.99 |
| | (73.74) | (27.39) | (101.78) | (24.88) |
| | 16,227.57 | 4,209.61 | 19,432.84 | 2,331.11 |
| Less: Amount clubbed under short term borrowings (refer note 18) | | | | |
| Total (a) | 16,227.57 | (4,209.61) | 19,432.84 | (2,331.11) |

1 Security and terms repayment of term loan borrowings

- A. Rupee term loan of Rs. 4,713.08 Lakhs (31 March 2024: Rs. 5,499.64 Lakhs)**
- 1 Repayable after 12 months from scheduled commercial operation date in 28 quarterly installments of Rs. 196.50 Lakhs each from June 30, 2024 to March 31, 2031 and ROI - 9.50% p.a.
 - 2 First pari-passu charge on immovable property, plant and equipment both present and future including mortgage of leasehold land rights related to project.
 - 3 First pari-passu charge on all the project borrower's movable property, plant and equipment properties including plant and machinery, machine spares, tools, and accessories, furnitures, fixtures, vehicles and other movable assets both (current and future)
- B. Rupee term loan of Rs. 4,711.24 Lakhs (31 March 2024: Rs. 5,499.88 Lakhs)**
- 1 Repayable after 12 months from scheduled commercial operation date in 28 quarterly installments of Rs. 196 Lakhs each from June 30, 2024 to March 31, 2031 and ROI - 9.50% p.a.
 - 2 First pari-passu charge on all property, plant and equipment both present and future assets of the company.
- C. Rupee term loan of Rs. 10,214.00 Lakhs (31 March 2024: Rs. 10,691.09 Lakhs)**
- 1 Repayable after 12 months from commencement of commercial operation in 26 quarterly installments of Rs. 392.75 Lakhs each and ROI - 9.20% p.a.
 - 2 First pari-passu charge on immovable property, plant and equipment both present and future including mortgage of leasehold land rights related to project.
 - 3 First pari-passu charge on all the project borrower's movable property, plant and equipment properties including plant and machinery, machine spares, tools, and accessories, furnitures, fixtures, vehicles and other movable assets both (current and future)
- ii Terms of Inter corporate loans from related parties**
- 1 Unsecured - Inter corporate loan from related parties carries an interest rate of 10.10% p.a (subject to annual reset) and compounded annually.
 - 2 The said Inter corporate loan is repayable after 3 years (i.e. December 29, 2025) from the first draw down date or such other date as may be agreed by the both parties.

16 Provisions (Non-Current)

| | ₹ Amount in ₹ Lakhs | |
|--|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Employee benefit obligations (refer note 38) | | |
| - Gratuity | 9.03 | 5.55 |
| - Compensated absences | 7.33 | 1.04 |
| | 16.36 | 6.59 |

17 Other non-current liabilities

| | ₹ Amount in ₹ Lakhs | |
|---|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Export obligation deferred income (refer note 33) * | 1,386.74 | 1,413.99 |
| | 1,386.74 | 1,413.99 |

- * Export obligation deferred income represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant and accounted in revenue on fulfillment of export obligation.

18 Borrowings (Current)

| | ₹ Amount in ₹ Lakhs | |
|---|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Current maturities of long term borrowings (refer note 15) | | |
| Inter corporate loans from related parties (refer note 37 & refer ii below) | 3,309.61 | 2,331.11 |
| | 900.00 | - |
| | 4,209.61 | 2,331.11 |

- Terms of Inter corporate loans from related parties**
- 1 Unsecured - Inter corporate loan from related parties carries an interest rate of 10.10% p.a (subject to annual reset) and compounded annually.
 - 2 The said Inter corporate loan is repayable after 3 years (i.e. December 29, 2025) from the first draw down date or such other date as may be agreed by the both parties.

19 Trade payables

| Particulars | ₹ Amount in ₹ Lakhs | |
|--|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| (a) Total outstanding dues of micro and small enterprises | 198.96 | 75.41 |

Disclosure pertaining to micro and small enterprises (as per information available with the Company):

| Description | ₹ Amount in ₹ Lakhs | |
|---|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Principal amount outstanding as at end of year (refer note ii) | 278.96 | 90.64 |
| Principal amount overdue more than 45 days | 43.03 | 1.87 |
| Interest due and unpaid as at end of year | - | - |
| Interest paid to the supplier | - | - |
| Payments made to the supplier beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid as at end of year | - | - |
| Amount of further interest remaining due and payable in succeeding year | - | - |

- ii It includes vendors classified as part of other financial liabilities in note 20 relating to payable for capital projects amounting to Rs. 83.03 Lakhs in 31 March 2025 & Rs. 15.09 Lakhs in 31 March 2024.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

| Particulars | As at | As at |
|--|------------------|-----------------|
| | 31 March 2025 | 31 March 2024 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | | |
| Other than acceptances | 15,949.96 | 8,151.42 |
| Total | 15,949.96 | 8,151.42 |

19 Trade payables (continued)
Ageing of trade payables

As at 31 March 2025

| Particulars | Unbilled dues | Not yet due | Outstanding for following periods from due date of payment | | | | Total |
|-------------------------|---------------|-------------|--|--------------|--------------|-------------------|-----------|
| | | | less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Other than acceptances: | | | | | | | |
| MSME | 64.39 | 94.79 | 32.70 | 7.08 | - | - | 198.96 |
| Others | 782.70 | 125.19 | 15,018.93 | 23.14 | - | - | 15,949.96 |
| Disputed dues - MSME | - | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - | - |

As at 31 March 2024

| Particulars | Unbilled dues | Not yet due | Outstanding for following periods from due date of payment | | | | Total |
|-------------------------|---------------|-------------|--|--------------|--------------|-------------------|----------|
| | | | less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Other than acceptances: | | | | | | | |
| MSME | - | 65.62 | 9.79 | - | - | - | 75.41 |
| Others | 744.29 | 315.98 | 7,089.05 | 2.10 | - | - | 8,151.42 |
| Disputed dues - MSME | - | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - | - |

Payables Other than acceptances are normally settled within 180 days.
Trade payables from related parties' details has been described in note 37.

20 Other current financial liabilities (at amortised cost)

Payables for capital projects
Retention money for capital projects
Interest accrued but not due on inter corporate loans (refer note 37)
Refund liabilities - provision for rebates, discounts to customer
Others

| | Amount in ₹ lakhs | |
|---|---------------------|---------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Payables for capital projects | 119.32 | 577.95 |
| Retention money for capital projects | 527.45 | 1,351.09 |
| Interest accrued but not due on inter corporate loans (refer note 37) | 61.21 | 22.81 |
| Refund liabilities - provision for rebates, discounts to customer | 321.46 | 341.64 |
| Others | 15.09 | 16.53 |
| Total | 1,045.74 | 2,310.06 |

21 Provisions (Current)

Employee benefit obligations (refer note 38)
- Gratuity
- Compensated absences

| | Amount in ₹ lakhs | |
|--|---------------------|---------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Employee benefit obligations (refer note 38) | 0.01 | 0.01 |
| - Gratuity | 0.35 | 0.05 |
| - Compensated absences | 0.36 | 0.06 |

22 Other current liabilities

Advances from Customers
Statutory liabilities

| | Amount in ₹ lakhs | |
|-------------------------|---------------------|---------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Advances from Customers | 839.25 | 536.80 |
| Statutory liabilities | 23.91 | 96.48 |
| Total | 863.16 | 633.28 |

23 Income Tax

Indian companies are subject to Indian income tax on a standalone basis. Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Statutory income tax is charged at 15% plus a surcharge and education cess. MAT is not applicable on company since company is eligible and opted to pay tax under section 115BAB of the Income Tax Act, 1961. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

A. Income Tax Expense

Income tax expense recognised in profit or loss

| Particulars | For the year ended | For the year ended |
|---------------------------|--------------------|--------------------|
| | 31 March 2025 | 31 March 2024 |
| (a) Current tax | - | - |
| (b) Deferred tax | - | - |
| Deferred tax for the year | (250.38) | 72.70 |
| Deferred tax | (250.38) | 72.70 |

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated as follows:

| Particulars | Amount in ₹ lakhs | |
|--|----------------------------------|----------------------------------|
| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
| Profit before tax | (1,459.11) | 413.00 |
| Enacted tax rate in India (Section 115BAB of Income tax Act, 1961) | 17.16% | 17.16% |
| Enacted income tax expense at statutory tax rate | (250.38) | 70.87 |
| Tax on expenses - not deductible in determining taxable profit | - | 0.12 |
| Tax on depreciation and other allowance | - | 1.71 |
| Income tax expense for the year | (250.38) | 72.70 |
| Effective income tax rate | 17.16% | 17.60% |



23 Income Tax (continued)

B. Deferred tax assets (net)

Significant components of deferred tax assets/(liabilities) recognised in the financial statements are as follows:

| Deferred tax balance in relation to | Amount in ₹ Lakhs | | | |
|---|------------------------|---|---|------------------------|
| | As at 31 March 2024 | Recognised / reversed through profit and loss | Recognised in / reclassified from other comprehensive income | As at 31 March 2025 |
| Excess depreciation allowable under income-tax law over depreciation recognised in the financial statements | (489.08) | (484.66) | - | (973.74) |
| Timing difference on brought forward business losses | 349.46 | 734.80 | - | 1,084.27 |
| Lease liabilities | 0.31 | (0.02) | - | 0.30 |
| Fair value of financial instruments | (11.07) | (0.41) | (5.88) | (17.36) |
| Other timing differences | (8.22) | 0.67 | - | (7.55) |
| Deferred tax assets (net) | (158.59) | 250.38 | (5.88) | 85.91 |

| Deferred tax balance in relation to | Amount in ₹ Lakhs | | | |
|---|-------------------------|---|---|------------------------|
| | As at 31 March, 2023 | Recognised / reversed through profit and loss | Recognised in / reclassified from other comprehensive income | As at 31 March 2024 |
| Excess depreciation allowable under income-tax law over depreciation recognised in the financial statements | (199.69) | (289.39) | - | (489.08) |
| Cash flow hedges | - | - | - | - |
| Provisions for employee benefit loans and advances and guarantees | - | - | - | - |
| Timing difference on brought forward business losses | 133.05 | 216.41 | - | 349.46 |
| Lease liabilities | 0.33 | (0.01) | - | 0.31 |
| Fair value of financial instruments | 13.04 | (0.38) | (23.73) | (11.07) |
| Other timing differences | (8.88) | 0.67 | - | (8.22) |
| Deferred tax liabilities (net) | (62.16) | (72.70) | (23.73) | (158.59) |

24 Income Tax Asset / (Liabilities), net

Advance tax
Provision for tax
Income tax asset / (liabilities), net

| | Amount in ₹ Lakhs | |
|--|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Advance tax | 29.34 | 33.92 |
| Provision for tax | - | - |
| Income tax asset / (liabilities), net | 29.34 | 33.92 |



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

| | (Amount in ₹ lakhs) | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2025 | Year ended 31 March 2024 |
| 25 Revenue from operations | | |
| Sale of products | | |
| Domestic turnover | 52,651.41 | 34,717.89 |
| Export turnover | 653.78 | - |
| Other operating revenues | | |
| Government grant income | | |
| Grant income recognised under State industrial policy | 1,060.75 | 708.00 |
| Export obligation deferred income amortisation | 32.41 | 6.03 |
| Export benefits and entitlements income | 8.79 | - |
| Sale of scrap (refer note 37) | 564.43 | 385.28 |
| Less: capitalized | - | (400.29) |
| | 54,971.57 | 35,416.91 |

Note :

(i) The Company is eligible for claiming incentives for investments made as per Government of Karnataka Industrial Policy 2020-2025. Accordingly, the Company has completed the project and also fulfilled the conditions as per the policy and in the process of obtaining the eligibility certificate from the Government, the Company has recognised the grant amount of Rs. 1060.75 Lakhs (March 31, 2024 - Rs. 708 Lakhs).

| Particulars | For the year ended 31 March 25 | | For the year ended 31 March 24 | |
|--|--------------------------------|--------------|--------------------------------|--------------|
| | Tonnes | Rs. in Lakhs | Tonnes | Rs. in Lakhs |
| Low Relaxation Prestressed Concrete (LRPC) Strands | 83,969 | 53,305.19 | 51,466 | 34,717.89 |
| Refer Note no. 42 for Ind AS 115 disclosure | | | | |

| | (Amount in ₹ lakhs) | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2025 | Year ended 31 March 2024 |
| 26 Other income | | |
| Interest Income earned on financial assets designated as amortised cost | | |
| On security deposits - from related parties | 31.21 | 30.08 |
| On bank deposits | 41.70 | 48.51 |
| Interest Income earned on financial assets that are designated as FVTPL | 2.40 | 2.20 |
| Net gain on foreign currency transactions and translation | 17.20 | - |
| Liquidated damages | 67.06 | - |
| Dividend income from non-current investments | 1.44 | 1.44 |
| Miscellaneous income | 0.03 | 30.38 |
| | 161.04 | 112.61 |
| 27 Cost of materials consumed | | |
| Cost of materials consumed | 45,966.86 | 29,352.97 |
| Less: capitalized | - | (411.39) |
| | 45,966.86 | 28,941.58 |
| 28 Changes in inventories of finished and semi-finished goods and work-in-progress | | |
| A. Opening Stock: | | |
| Semi finished -finished goods: | 2,573.38 | 1,302.94 |
| | 2,573.38 | 1,302.94 |
| B. Closing Stock: | | |
| Semi finished -finished goods | 3,358.18 | 2,573.38 |
| | 3,358.18 | 2,573.38 |
| Changes in inventories (A-B) | (784.80) | (1,270.45) |
| 29 Employee benefits expense | | |
| Salaries and wages (net) | 386.10 | 371.22 |
| Contribution to provident and other funds (refer note 38) | 45.59 | 41.44 |
| Expenses on employees stock ownership plan | - | 1.43 |
| Staff welfare expenses | 20.77 | 30.43 |
| | 452.46 | 444.52 |
| 30 Finance costs | | |
| Interest on term loans | 1,966.68 | 1,181.10 |
| Interest on lease liability | 0.17 | 0.17 |
| Interest on inter-corporate loans from related parties (refer note 37) | 42.85 | 20.26 |
| Other borrowing costs | 369.14 | 37.51 |
| | 2,378.84 | 1,239.04 |
| 31 Depreciation and amortisation expense | | |
| Depreciation of property, plant and equipment | 1,142.86 | 718.49 |
| Amortisation of intangible assets | 1.80 | 1.80 |
| Depreciation of Right of use assets | 3.89 | 3.89 |
| | 1,148.55 | 724.18 |
| 32 Other expenses | | |
| Rent | 3.35 | 5.62 |
| Stores and spares consumed | 919.85 | 710.51 |
| Rates and taxes | 96.12 | 40.78 |
| Power and fuel | 2,452.01 | 1,784.38 |
| Water charges | 52.29 | 29.81 |
| Packing charges | 699.14 | 424.22 |
| Carriage and freight | 1,974.70 | 1,131.83 |
| Shared service cost | 69.20 | 41.20 |
| Insurance | 46.66 | 64.85 |
| Travelling and conveyance | 12.82 | 19.90 |
| Contractual manpower cost | 566.11 | 421.03 |
| Repairs and maintenance | | |
| - Machinery | 40.55 | 2.35 |
| - Others | 297.54 | 181.88 |
| Professional and consultancy charges (refer note 34) | 34.14 | 24.54 |
| Product certification charges | 83.11 | 99.72 |
| Port Handling Charges | 25.90 | - |
| Net loss (gain) on foreign currency transactions and translation | - | 15.14 |
| Director's sitting fees | 2.00 | 3.00 |
| Security charges | 37.07 | 23.28 |
| Miscellaneous expenses | 17.24 | 13.60 |
| | 7,429.81 | 5,037.64 |



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

33 (a) Contingent liabilities

Disputed claims/levies (excluding interest, if any) - Nil (31 March 2024 - Nil)

33 (b) Commitments

Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances) Rs 281.05 lakhs (31 March 2024: 1,423.21 lakhs lakhs).

33 (c) Other commitments

The company has imported capital goods under the export promotion capital goods scheme to utilize benefit of a zero customs duty rate. These benefits are subject to future exports within the stipulated year and such export obligation at year end 31 March 2025 aggregate to Rs.27971.84 lakhs (31 March 2025: 28535.81 lakhs).

34. Auditors' remuneration

Audit fees and certification charges included in professional fees (excluding taxes)

| Particulars | (Amount in ₹ lakhs) | |
|----------------------|---------------------------------------|-------------------------------------|
| | For the year ended 31st March 2025 | For the year ended 31 March 2024 |
| Statutory audit | | |
| Limited review | 5.25 | 6.25 |
| Tax Audit | 3.15 | 3.00 |
| Other certifications | 1.05 | 1.75 |
| Total | 10.05 | 11.60 |

35. Corporate social responsibility (CSR):

Section 135 of the Companies Act 2013 and the Rules made thereunder prescribe that every company having a net worth of Rs 500 crore or more, or turnover of Rs 1,000 crore or more or a net profit of Rs 5 crore or more during any financial year shall ensure that the Company spends in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility (CSR) policy. The provisions pertaining to CSR as prescribed under the Companies Act 2013 are not applicable to the Company for the current year.

36. Earnings per share ('EPS')

| Particulars | (Amount in ₹ lakhs) | |
|--|---------------------------------------|-------------------------------------|
| | For the year ended 31st March 2025 | For the year ended 31 March 2024 |
| Profit attributable to equity shareholders (Rs. In Lakhs) (A) | (1,208.73) | 340.30 |
| Weighted average number of equity and CCDs outstanding during the year - for Basic and Diluted (B) | 12,00,00,000 | 12,00,00,000 |
| <i>Earnings per share in Rs. - Par value of Rs. 10 per share</i> | | |
| Basic EPS (Rs.) (A/B) | (1.01) | 0.28 |
| Diluted EPS (Rs.) (A/B) | (1.01) | 0.28 |

37. Related party disclosures

I. Holding Company

a. JSW Steel Limited

II. Independent non-executive directors

a. Mr. Alok Mehrotra
b. Ms. Rakhi Jain

III. Other Related Parties (Includes entities controlled by/under significant influence of Promoter Group/Relatives of Promoter Group and entities in which Directors/relatives of directors have significant influence/control)

a. Jindal Saw Limited
b. Jindal Steel Power Limited
c. JSW Cement Limited
d. JSW Energy Limited
e. JSW Global Business Solution Limited
f. JSW IP Holdings Private Limited
g. JSW One Distribution Limited
h. JSW Vijayanagar Metalics Limited
i. JSW Shakti Foundation
j. Bhushan Power and Steel Limited
k. JSW Realty and Infrastructure Ltd
l. JSW Paint Ltd



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

37. Related party disclosures

A. Transaction with related parties for the year ended

| Particulars | Holding Company | | Other related parties | |
|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2025 | For the year ended 31 March 2024 | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
| Purchase of Goods / Services | | | | |
| JSW Cement Limited | - | - | 7.73 | 107.48 |
| JSW Paints Limited | - | - | 29.76 | - |
| JSW Energy Limited | - | - | 2,394.56 | 1,941.62 |
| JSW Steel Limited | 57,967.84 | 28,329.35 | - | - |
| Jindal Steel Power Limited | - | - | - | 67.59 |
| JSW Global Business Solution Limited | - | - | 69.81 | 41.20 |
| JSW IP Holdings Private Limited | - | - | 68.39 | 32.17 |
| JSW Shakti Foundation | - | - | 1.79 | - |
| Bhushan Power and Steel Limited | - | - | 2.08 | - |
| JSW Realty and Infrastructure Ltd | - | - | 0.18 | - |
| Total | 57,967.84 | 28,329.35 | 2,574.29 | 2,190.06 |
| Sale of Goods | | | | |
| JSW Steel Limited | - | - | - | - |
| JSW One Distribution Limited | 664.54 | 418.23 | - | 250.09 |
| JSW Vijayanagar Metalics Limited | - | - | 296.26 | 37.81 |
| Total | 664.54 | 418.23 | 315.47 | 287.90 |
| Inter corporate loan taken | | | | |
| JSW Steel Limited | 700.00 | - | - | - |
| Total | 700.00 | - | - | - |
| Interest Expenses | | | | |
| JSW Steel Limited | 42.85 | 20.26 | - | - |
| Total | 42.85 | 20.26 | - | - |
| Interest Income | | | | |
| JSW Energy Limited | - | - | 31.21 | 30.08 |
| Total | - | - | 31.21 | 30.08 |
| Lease rentals | | | | |
| JSW Steel Limited | 0.26 | 0.26 | - | - |
| Total | 0.26 | 0.26 | - | - |
| Dividend Income | | | | |
| JSW Energy Limited | - | - | 1.44 | 1.44 |
| Total | - | - | 1.44 | 1.44 |



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

37. Related party disclosures

B. Amount due to/from related parties

| Particulars | Holding Company | | Other related parties | |
|---|------------------|-----------------|-----------------------|---------------|
| | As at | As at | As at | As at |
| | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 |
| Trade / Capex Payables | | | | |
| JSW Cement Limited | - | - | 14.50 | 20.35 |
| JSW Steel Limited | 14,384.08 | 6,763.85 | - | - |
| JSW Energy Limited | - | - | 399.96 | 371.35 |
| JSW Global Business Solutions Limited | - | - | 61.28 | 40.38 |
| JSW IP Holdings Private Limited | - | - | 66.34 | 34.51 |
| JSW Realty and Infrastructure Ltd | - | - | 0.06 | - |
| Total | 14,384.08 | 6,763.85 | 542.14 | 466.59 |
| Discounts / Rebate Receivable | | | | |
| JSW Steel Limited | 1,591.00 | 354.11 | - | - |
| Total | 1,591.00 | 354.11 | - | - |
| Other Receivable | | | | |
| JSW Steel Limited | 103.83 | - | - | - |
| Total | 103.83 | - | - | - |
| Trade Receivable | | | | |
| JSW Steel Limited | 21.34 | 165.70 | - | - |
| JSW One Distribution Limited | - | - | 0.03 | 43.51 |
| JSW Vijayanagar Metallies Limited | - | - | 18.88 | - |
| Total | 21.34 | 165.70 | 18.91 | 43.51 |
| Advances received from customers | | | | |
| JSW Vijayanagar Metallies Limited | - | - | - | 0.33 |
| Total | - | - | - | 0.33 |
| Advances given to suppliers | | | | |
| Jindal Steel Power Limited | - | - | 0.56 | 0.56 |
| Total | - | - | 0.56 | 0.56 |
| Inter corporate loan received | | | | |
| JSW Steel Limited | - | 200.00 | - | - |
| Total | - | 200.00 | - | - |
| Interest payable on loans | | | | |
| JSW Steel Limited | 61.21 | 22.81 | - | - |
| Total | 61.21 | 22.81 | - | - |
| Interest receivable on Security deposits | | | | |
| JSW Energy Limited | - | - | - | 26.01 |
| Total | - | - | - | 26.01 |
| Security Deposits Given | | | | |
| JSW Steel Limited | 77.70 | 77.70 | - | - |
| JSW Energy Limited | - | - | 300.00 | 300.00 |
| Total | 77.70 | 77.70 | 300.00 | 300.00 |

Notes:

- The transactions are inclusive of taxes wherever applicable.
- The transactions are disclosed under various relationships (i.e. holding and other related parties) based on the status of related parties on the date of transactions.
- The Company gives or receives trade advances during normal course of business. The transactions against those trade advances are part of above-mentioned purchases or sales and accordingly, such trade advances have not been shown separately.

Notes:

The Independent Directors are paid remuneration by way of sitting fees. The Company pays sitting fees at the rate of Rs. 20,000 for meeting of the Board and Rs. 10,000 each for Audit and other committee meetings attended by them. The amount paid to them by way of sitting fees during current year is Rs. 2.00 Lakhs (March 31, 2024 - 3 Lakhs), which is not included above.

Terms and conditions

Sales:

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Sales transactions are based on prevailing price lists and memorandum of understanding signed with related parties. For the year ended 31 March 2025 & 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Purchases:

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and in the ordinary course of business. Purchase transactions are based on made on normal commercial terms and conditions and market rates.

Lease:

Company has taken lease hold land from related party by giving a security deposit equivalent to guideline market value and nominal lease rents which represents its arms length price in the ordinary course of business.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

38. Employee benefits

a) Defined contribution plan

The Company operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Company is required to contribute a specified percentage of payroll costs.

b) Defined benefit plans

The Company has unfunded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days' salary for each year of service until the retirement age of 58 and 60, without any payment ceiling. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The plans in India typically expose the Company to actuarial risks such as: longevity risk and salary risk.

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2025 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

| Provisions | Non Current | | Current | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2025 | As at 31 March 2024 |
| Employee benefits: | | | | |
| Provision for accumulating paid absences | 7.33 | 1.04 | 0.35 | 0.05 |
| Provision for Gratuity (Unfunded) | 9.03 | 5.55 | 0.01 | 0.01 |
| Total | 16.36 | 6.59 | 0.36 | 0.06 |

| Employee benefits: | As at 31 March 2025 | As at 31 March 2024 |
|---|------------------------|------------------------|
| Disclosures as per IND AS-19 - Employees benefits are categorised as follows: | | |
| A. Defined Contribution Plans: | | |
| Company's contribution to provident fund and pension fund (included in note 29) | 18.44 | 17.94 |

B. Defined Benefit Plans:

i) Gratuity

a) Liability recognised in Balance Sheet

| | As at 31 March 2025 | As at 31 March 2024 |
|---|------------------------|------------------------|
| i) Present value of obligation | | |
| Opening balance | 5.55 | 2.31 |
| Interest Cost | 0.40 | 0.17 |
| Current service cost | 3.75 | 2.24 |
| Actuarial (gain)/loss on obligation | (0.66) | 0.83 |
| Closing Balance | 9.04 | 5.55 |
| b) Expenses during the year | | |
| Service Cost | 3.75 | 2.24 |
| Interest Cost | 0.40 | 0.17 |
| Component of defined benefit cost recognised in statement of profit and loss | 4.15 | 2.41 |

c) Principal actuarial assumptions :

| Particulars | For the year ended | |
|-------------------------------------|--|--|
| | 31 March 2025 | 31 March 2024 |
| Discount rate | 6.85% | 7.21% |
| Expected rate(s) of salary increase | 6.00% | 6.00% |
| Expected return on plan assets | NA | NA |
| Attrition rate | 4.00% | 4.00% |
| Mortality rate during employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |

d) Sensitivity Analysis:

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars | As at 31 March 2025 | | As at 31 March 2024 | |
|------------------------------------|---------------------|----------|---------------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (1.23) | 1.52 | (0.74) | 0.91 |
| Future salary growth (1% movement) | 1.52 | (1.25) | 0.91 | (0.76) |
| Employee turnover (1% movement) | (0.13) | 0.11 | (0.11) | 0.09 |

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

e) Maturity analysis of projected benefit obligation:

| Particulars | As at 31 March, 2025 | | | Total |
|---------------------------|----------------------|----------------------|--------------|-------|
| | Less than a year | Between 1 to 5 years | Over 5 years | |
| As at 31 March, 2025 | | | | |
| Projected benefit payable | 0.01 | 1.25 | 20.54 | 31.80 |
| As at 31 March, 2024 | | | | |
| Projected benefit payable | 0.01 | 0.61 | 19.94 | 20.56 |

ii) Privilege leave liability

a) Liability recognized in the Balance Sheet

| Particulars | As at 31 March 2025 | | As at 31 March 2024 | |
|-----------------------------|---------------------|-------|---------------------|-------------|
| | As at | As at | As at | As at |
| Present value of obligation | | | | |
| Opening balance | | | 1.09 | 4.50 |
| Paid during the year | | | (2.91) | (2.99) |
| Service cost | | | 9.50 | (0.42) |
| Closing balance | | | 7.68 | 1.09 |
| b) Expense during the year | | | | |
| Service cost | | | 9.50 | (0.42) |

Notes:

- The average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (31 March 2023: 7 years)
- The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligation.

f) Experience adjustments:

| Particulars | 2024-25 | 2023-24 | 2022-23 | 2021-2022 | 2020-2021 |
|---|---------|---------|---------|-----------|-----------|
| Defined benefit obligation | 9.04 | 5.55 | 2.31 | 0.06 | - |
| Plan assets | - | - | - | - | - |
| Surplus / (deficit) | 9.04 | 5.55 | 2.31 | 0.06 | - |
| Experience adjustments, on plan liabilities - Loss / (Gain) | (0.66) | 0.83 | - | - | - |
| Experience adjustments on plan assets - Gain / (Loss) | - | - | - | - | - |

Other long term benefits:

Compensated Absences

Under the compensated absences plan, leave encumbrance is payable to certain eligible employees on separation from the company due to death, retirement, superannuation or resignation. Employees are entitled to encash leave while serving the company at the rate of duty salary, as per current accumulation of leave days. The company also has leave policy for certain employees to compulsorily encash unavailed leave on 31st December every year at the current basic salary.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March, 2025 (continued)

39. Financial ratios

| Particulars | Methodology | For the year ended 31 March 2025 (a) | For the year ended 31 March 2024 (b) | % Variance c=(a-b)/b (if >25%) (d) | Reason for the variance (if >25%) (d) |
|---|---|--|--|---|--|
| Current ratio (In times) | (Current Assets/Current Liabilities) | 0.70 | 0.81 | (14%) | Decrease in current ratios is on account of (14%) decrease in current assets and increase in current liabilities compared to previous year |
| Debt - Equity ratio (In times) | (Total Debt/Shareholders Equity) | 1.76 | 1.70 | 4% | Increase is on account of increase in borrowings during the year |
| Debt service coverage ratio (In times) | Profit before Tax, Depreciation, Net Finance Charges / Net Finance Charges + Long Term Borrowings scheduled principal repayments (excluding prepayments/ refinancing) during the year | 0.43 | 1.98 | (78%) | Decrease is on account of increase in debt service during the year on account of increase in borrowings |
| Return on equity (%) | Note : (Net Finance Charges - Interest Income - Net Gain / (Loss) on sale of current investments) (PAT / Average shareholders Equity) | -9.90% | 2.93% | (438%) | Due to lesser selling price, higher raw material cost and low volume |
| Inventory turnover (no. of days) | Average inventory / (Cost of materials consumed + Purchases of stock in - trade + Changes in inventories + Other expenses - Carriage & Freight - Rates & Taxes) | 33 | 20 | 71% | Increase is on account of increase in inventory in current year |
| Trade receivables turnover (no. of days) | (Average Accounts Receivables / Net Credit Sales) | 26 | 21 | 21% | Increase is on account of increase in trade receivables in current year |
| Trade payables turnover (no. of days) | Average trade payables / (Cost of materials consumed + Changes in inventories + Other Expense) | 85 | 46 | 84% | Increase is on account of increase in trade payables in current year |
| Net capital turnover (In times) | (Net sales / Working Capital) | (8.18) | (13.83) | (41%) | Decrease is on account of increase in workings capital and increase in turnover during the year |
| Net profit margin (%) | (Profit after tax / Revenue from operations) | -2.20% | 0.96% | (329%) | Decrease is on account of loss during current year |
| Return on capital employed (%) | (Profit before tax and finance cost / Tangible Net Worth + Total Debt + Deferred Tax Liability) | 2.87% | 4.76% | (40%) | Decrease is on account of loss during the current year |
| Return on investment (%) | (Profit on sale of investment / Cost of investments) | NA | NA | NA | NA |

Borrowings excludes lease liabilities



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

40 Financial Instruments

Financial Instruments - Capital risk management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt, divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments

| Particulars | (Amount in ₹ lakhs) | |
|--|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Long term borrowings | 16,227.57 | 19,432.84 |
| Short term borrowings | 4,209.61 | 2,331.11 |
| Less: Cash and cash equivalents | (256.37) | (450.55) |
| Less: Bank balances other than cash and cash equivalents | (314.21) | (297.65) |
| Net debt | 19,866.61 | 21,015.75 |
| Total equity | 11,611.57 | 12,819.04 |
| Gearing ratio | 1.71 | 1.64 |

i. Equity includes equity share capital, Instruments entire in equity nature and other equity

ii Debt is defined as long and short term borrowings as described in note 15 and 18

Financial Instruments - Classifications

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

Financial assets

| Particulars | (Amount in ₹ lakhs) | | | | |
|--|----------------------|-----------------|---|-----------------------------------|-----------------|
| | Carrying amount | Amortised cost | Fair value through other comprehensive income | Fair value through profit or loss | Fair value |
| As at 31 March 2025 | | | | | |
| Investments | 387.29 | - | 387.29 | - | 387.29 |
| Trade receivables | 3,578.43 | 3,578.43 | - | - | 3,578.43 |
| Cash and cash equivalents | 256.37 | 256.37 | - | - | 256.37 |
| Bank balances other than cash and cash equivalents | 314.21 | 314.21 | - | - | 314.21 |
| Other financial assets | 4,128.92 | 4,128.92 | - | - | 4,128.92 |
| | 8,665.22 | 8,277.93 | 387.29 | - | 8,665.22 |
| As at 31 March 2024 | | | | | |
| Investments | 380.80 | - | 380.80 | - | 380.80 |
| Trade receivables | 4,117.96 | 4,117.96 | - | - | 4,117.96 |
| Cash and cash equivalents | 450.55 | 450.55 | - | - | 450.55 |
| Bank balances other than cash and cash equivalents | 297.65 | 297.65 | - | - | 297.65 |
| Other financial assets | 1,835.86 | 1,835.86 | - | - | 1,835.86 |
| | 7,082.82 | 6,702.02 | 380.80 | - | 7,082.82 |

Financial liabilities

| Particulars | (Amount in ₹ lakhs) | | | | |
|-----------------------------|----------------------|------------------|---|-----------------------------------|------------------|
| | Carrying amount | Amortised cost | Fair value through other comprehensive income | Fair value through profit or loss | Fair value |
| As at 31 March 2025 | | | | | |
| Borrowings # | 20,437.18 | 20,437.18 | - | - | 20,437.18 |
| Lease liabilities | 1.73 | 1.73 | - | - | 1.73 |
| Trade payables | 16,148.92 | 16,148.92 | - | - | 16,148.92 |
| (i) Borrowings | 1,045.74 | 1,045.74 | - | - | 1,045.74 |
| | 37,633.57 | 37,633.57 | - | - | 37,633.57 |
| As at 31 March 2024 | | | | | |
| Borrowings # | 21,763.95 | 21,763.95 | - | - | 21,763.95 |
| Lease liabilities | 1.82 | 1.82 | - | - | 1.82 |
| Trade payables | 8,226.83 | 8,226.83 | - | - | 8,226.83 |
| Other financial liabilities | 2,310.06 | 2,310.06 | - | - | 2,310.06 |
| | 32,302.66 | 32,302.66 | - | - | 32,302.66 |

Fair value hierarchy of financial instruments

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

Some of the Company's financial assets are measured at fair value at the end of each reporting period

| Particulars | As at | | Level | Valuation techniques and key inputs | |
|--|----------------|---------------|-----------|---------------------------------------|---|
| | 31 March 2025 | 31 March 2024 | | | |
| Quoted investments in equity shares measured at FVTOCI | 387.29 | 380.80 | 1 | Quoted bid prices in an active market | |
| Details of Financial assets/ liabilities measured at amortised cost but fair value disclosed in category wise | | | | | |
| Particulars | As at | | Level | Valuation techniques and key inputs | |
| | 31 March 2025 | 31 March 2024 | | | |
| Long Term Borrowings # | Carrying value | 20,437.18 | 21,763.95 | 2 | Discounted cash flow on observable Future cash flows are based on terms of borrowings discounted at a rate that reflects market risks |
| | Fair value | 20,437.18 | 21,763.95 | | |

There have been no transfers between Level 1 and Level 2 during the period

includes current maturities of long term borrowings



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

41. Financial Instruments: Financial risk management

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company. The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Liquidity risk
- Market risk
- Credit risk and
- Commodity price risk

(A) Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment Years and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(i) Maturities of financial assets

The tables below analyse the Company's financial assets into relevant maturity groupings based on their contractual maturities for:

As at 31 March 2025

| Particulars | (Amount in ₹ lakhs) | | | |
|--|---------------------|---------------|-------------------|-----------------|
| | < 1 year | 1-5 years | More than 5 years | Total |
| Investments | - | - | 387.29 | 387.29 |
| Trade receivables | 3,578.43 | - | - | 3,578.43 |
| Cash and cash equivalents | 256.37 | - | - | 256.37 |
| Bank balances other than cash and cash equivalents | 314.21 | - | - | 314.21 |
| Other financial assets | 3,368.34 | 430.04 | 330.55 | 4,128.92 |
| Total | 7,517.34 | 430.04 | 717.84 | 8,665.22 |

As at 31 March 2024

| Particulars | (Amount in ₹ lakhs) | | | |
|--|---------------------|---------------|-------------------|-----------------|
| | < 1 year | 1-5 years | More than 5 years | Total |
| Investments | - | - | 380.80 | 380.80 |
| Trade receivables | 4,117.96 | - | - | 4,117.96 |
| Cash and cash equivalents | 450.55 | - | - | 450.55 |
| Bank balances other than cash and cash equivalents | 297.65 | - | - | 297.65 |
| Other financial assets | 1,101.53 | 406.68 | 327.65 | 1,835.86 |
| Total | 5,967.69 | 406.68 | 708.45 | 7,082.82 |

(ii) Maturities of financial Liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

As at 31 March 2025

| Particulars | (Amount in ₹ lakhs) | | | |
|-----------------------------|---------------------|------------------|-------------------|------------------|
| | < 1 year | 1-5 years | More than 5 years | Total |
| Borrowings | - | - | - | - |
| Inter corporate deposit | 3,144.00 | 12,576.00 | 3,918.31 | 19,638.31 |
| Trade payable | - | - | - | - |
| Other financial liabilities | 16,148.92 | - | - | 16,148.92 |
| Lease liabilities | 1,045.74 | - | - | 1,045.74 |
| Total | 20,338.91 | 12,577.02 | 3,918.76 | 36,834.70 |
| Interest payout liability | 1,700.13 | 3,908.05 | 244.78 | 5,852.97 |

As at 31 March 2024

| Particulars | (Amount in ₹ lakhs) | | | |
|-----------------------------|---------------------|------------------|-------------------|------------------|
| | < 1 year | 1-5 years | More than 5 years | Total |
| Borrowings | - | - | - | - |
| Inter corporate deposit | 2,356.00 | 15,705.00 | 3,629.61 | 21,690.61 |
| Trade payable | - | 200.00 | - | 200.00 |
| Other financial liabilities | 8,226.83 | - | - | 8,226.83 |
| Lease liabilities | 2,310.06 | - | - | 2,310.06 |
| Total | 12,893.15 | 15,906.04 | 3,630.13 | 32,429.31 |
| Interest payout liability | 1,965.47 | 4,950.05 | 730.43 | 7,645.94 |

The amounts disclosed in the table are the contractual undiscounted cash flows.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

41. Financial Instruments: Financial risk management

(B) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

(i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the EURO/GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

Net exposure to foreign currency risk

March 31, 2025

| Particulars | (Amount in lakhs) | | | | | | |
|-------------|--------------------|-------|--------|---------|--------|---------|---------|
| | USD | ₹ | GBP | ₹ | EURO | ₹ | Total ₹ |
| Advances | 0.95 | 81.31 | - | 0 | 0.31 | 27.86 | 27.86 |
| Payables | - | - | (0.21) | (23.67) | (0.15) | (13.43) | (37.10) |
| | 0.95 | 81.31 | (0.21) | (23.67) | 0.16 | 14.43 | (9.24) |

Net exposure to foreign currency risk

March 31, 2024

| Particulars | (Amount in lakhs) | | | | | | |
|-------------|--------------------|---|--------|---------|---------|------------|------------|
| | | | GBP | ₹ | EURO | ₹ | Total ₹ |
| Advances | - | - | - | 0 | - | - | - |
| Payables | - | - | (0.23) | (23.89) | (30.67) | (1,120.98) | (1,144.87) |
| | - | - | (0.23) | (23.89) | (30.67) | (1,120.98) | (1,144.87) |

Sensitivity Analysis :

Sensitivity of profit on a possible change in foreign exchange rates of +/-5% :

| Particulars | (Amount in ₹ lakhs) | |
|---|----------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Foreign exchange rate increased by 5% | (1.86) | (57.24) |
| Foreign exchange rate decreased by 5% | 1.86 | 57.24 |
| Interest rate decreased by 500 basis points | (132.56) | (134.77) |

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with mix of fixed and floating rates of interest.

The following table provides a break-up of the Company's fixed and floating rate borrowings

| Particulars | (Amount in ₹ lakhs) | |
|--|----------------------|----------------------|
| | As at 31 March, 2025 | As at 31 March, 2024 |
| Fixed rate borrowings | 900.00 | 200.00 |
| Floating rate borrowings | 19,638.31 | 21,690.61 |
| Less: Upfront fees | (101.13) | (126.66) |
| Total borrowings (refer note 15 & 18) | 20,437.18 | 21,763.94 |

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2025 would decrease / increase by Rs. 196.38 lakhs (for the year ended 31 March 2024 decrease / increase by Rs. 216.91 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

(C) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans, other financial assets, financial guarantees and derivative financial instruments.

Moreover, given the diverse nature of the Company's business trade receivables are spread over a number of customers with no significant concentration of credit risk. Only a single customer accounted for 10% or more of the trade receivables in any of the years presented. The history of trade receivables shows that collections are received with in due dates. Therefore, the Company does not expect any material risk on account of non performance by any of the Company's counterparties. The assessment is carried out considering the segment of customer, impact seen in the demand outlook of these segments and the financial strength of the customers in respect of whom amounts are receivable. Basis this assessment, the Company believes no allowance for doubtful trade receivable is required as on 31 March, 2025.

The carrying value of financial assets represents the maximum credit risk as at 31 March 2025 and 31 March 2024.

(D) Commodity price risk

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company is subject to fluctuations in prices for the purchase of wire rod coil, dies, chemicals & other raw material inputs. The Company purchased primarily all of its wire rod coil and other input requirements at prevailing market rates during the year ended 31 March 2025.

The Company aims to sell the products at prevailing market prices. Similarly, the Company procures key raw materials like wire rod coil based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

42. Ind AS 115 Revenue from contracts with customers

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

| Particulars | (Amount in ₹ lakhs) | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
| Revenue from contracts with customer - Sale of products | 53,305.19 | 34,717.89 |
| Other operating revenue | 1,657.58 | 1,099.31 |
| Total revenue from operations | 54,962.78 | 35,817.20 |
| India | 54,962.78 | 35,817.20 |
| Outside India | | |
| Total revenue from operations | 54,962.78 | 35,817.20 |
| Timing of revenue recognition | | |
| At a point in time | 54,962.78 | 35,817.20 |
| Total revenue from operations | 54,962.78 | 35,817.20 |

Contract Balances

| Particulars | (Amount in ₹ lakhs) | |
|--|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Trade Receivables (refer note 7) | 3,578.43 | 4,117.96 |
| Contract liabilities | | |
| Advance from customers (refer note 22) ^ | 839.25 | 536.80 |

The credit period on sales of goods ranges from 7 to 120 days with or without security.

^ Contract liabilities include short term advances received for sale of goods.

Out of the total contract liabilities outstanding as on 31 March, 2025 : Rs. 839.25 lakhs (31 March, 2024: Rs. 536.80 lakhs) will be recognised by 31 March 2026.

Refund liabilities

| Particulars | (Amount in ₹ lakhs) | |
|---|------------------------|------------------------|
| | As at 31 March 2025 | As at 31 March 2024 |
| Arising from volume rebates and discount (included in other financial liabilities- refer note 20) | 321.46 | 341.66 |

The Company does not have any significant adjustments between the contracted price and revenue recognised in the statement of profit and loss.

43. Segment reporting

The Company is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker ('CODM') for assessment of Company's performance and resource allocation. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below

a) Revenue from operations

| Particulars | (Amount in ₹ lakhs) | |
|--------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
| Domestic | 54,317.79 | 35,817.20 |
| Export | 653.78 | - |
| Total | 54,971.57 | 35,817.20 |

b) Non current assets

All non-current assets of the Company are located in India.

c) Customer contributing more than 10% of Revenue

| Particulars | (Amount in ₹ lakhs) | |
|-------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
| Larsen & Toubro Limited | 13,983.18 | 13,071.68 |
| Total | 13,983.18 | 13,071.68 |



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

44. Events occurring after balance sheet

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.

45 Additional information

a) C.I.F value of imports

(Amount in ₹ lakhs)

| Particulars | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|----------------------|-------------------------------------|-------------------------------------|
| Capital goods | - | 9,034.13 |
| Raw materials | - | - |
| Stores & spare parts | 53.72 | 70.44 |

b) Expenditure in foreign currency

| Particulars | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Product certification charges | 80.58 | 59.78 |

c) Earnings in foreign currency - Nil

- 46 As at 31st March, 2025; the current liabilities exceeds current assets of the Company by ₹ 6721.19 lakhs. Basis predicated cash flows from operations for the financial year 2025-26 the management is confident that the Company would be in a position to service its liabilities in the foreseeable future.

47. Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(iii) Compliance with number of layers of companies

The Company do not have any subsidiary as at the balance sheet date, accordingly compliance with section 2(89) of the Companies Act read with Companies (Restriction on number of layers) Rules, 2017 does not arise.

(iv) Utilisation of borrowed funds and share premium

(1) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(2) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- 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.

Presently no quarterly returns or statements of fund utilisation need to be filed by the Company with banks or financial institutions.

(v) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vi) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vii) Title deeds of immovable properties not held in name of the company

The company does not hold any immovable property.

(viii) Registration of charges or satisfaction with Registrar of Companies (ROC)

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(ix) Relationship with Struck off Companies

The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956



Neotrex Steel Limited (Formerly known as 'Neotrex Steel Private Limited')
Notes to the financial statements for the year ended 31 March 2025 (continued)

48 The Company has been maintaining its books of accounts in the SAP which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021. However, the audit trail feature is not enabled for direct changes to data in the underlying database in relation to certain users pertaining to SAP HR - Payroll application, which has been enabled subsequently post the year ended March 31, 2025.

Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year.

49 Previous year figures have been regrouped / reclassified wherever necessary to conform with the current year's classification / disclosure.

As per our attached report of even date.

For SHAH GUPTA & CO.

Chartered Accountants

FRN No. 109574W



Heneel K Patel

Partner

M No. 114103

UDIN : 25114103BMNARS7761

Place : Mumbai

Date: 28.04.2025



For and on behalf of the Board of Directors



Amit Agarwal

Director

DIN: 09204911



Lokendra Raj Singh

Director

DIN: 10573891



Chandrasekaran Prabhakaran

Director

DIN: 03573049