

**INDEPENDENT AUDITORS' REPORT**
**To the Board of Directors of Electrosteel Castings Limited**
**Report on the Audit of the Consolidated Annual Financial Results**
**Qualified Opinion**

We have audited the accompanying consolidated financial results of Electrosteel Castings Limited (hereinafter referred to as the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the year ended March 31, 2025 and the notes thereon (hereinafter referred to as the "Consolidated Financial Results") attached herewith, being compiled by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). The consolidated financial results have been initiated by us for the purpose of identification.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements/ information of the subsidiaries, the consolidated financial results:

a) Include the annual financial results of the following entities:

Name of the Subsidiaries (Including Step-down Subsidiaries)	
a) Electrosteel Trading S.A.U. (Formerly Electrosteel Trading S.A) Spain	b) Electrosteel Castings (UK) Limited
c) Electrosteel Castings Gulf FZE	d) Electrosteel USA, LLC
e) Electrosteel Doha for Trading LLC	f) WaterFab LLC (acquired 100% share capital through wholly owned subsidiary Electrosteel USA, LLC)
g) Electrosteel Brasil Ltda. Tubos e Conexoes Duties	h) Electrosteel Bahrain Trading WLL (subsidiary of Electrosteel Bahrain Holding Company S.P.C)
i) Electrosteel Bahrain Holding Company S.P.C	j) Electrosteel Algeria SPA
k) Electrosteel Europe S.A	l) Singardo International Pte Limited (w.r.f. October 22, 2024)
Name of the Joint Venture Companies	
a) North Dhadhu Mining Company Private Limited (Refer Note no. (d) below in Other Matters)	

b) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and



- c) except for the possible effect of the matter described in the "Basis for Qualified Opinion" paragraph below, give a true and fair view in conformity with the recognition and measurement principles laid down as per the applicable Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India of the net profit and other comprehensive income for the quarter and year ended March 31, 2025 and other financial information for the year ended on that date.

**Basis for Qualified Opinion**

Attention is invited to the following notes of the accompanying Consolidated financial Results:

- a) Note no. 3 regarding cancellation of coal block allotted to the parent in earlier year and adjustments to be given effect to in respect of the claims made by the parent, amount awarded so far in this respect and required disclosures/ adjustments in terms of Ind AS with respect to the carrying amounts of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account and carried forward pending determination of the amount of claim in this respect as stated in the said note; and
- b) Note no. 4(a) in respect of parent's investment in the equity shares of ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Kolkata and the matter is currently pending before the said court. Further, as stated in Note no. 4(b) dealing with mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolico possession of the said land was taken by the said party. The matter has been disputed by the parent and as stated in the said note is currently pending before DRAT and Hon'ble Madras High Court.
- c) Pending finalization of the matters dealt with in (a) and (b) above, impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics and provisions of the Companies Act, 2013 that are relevant to our audit of the consolidated financial statements in India under the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies Act, 2013. We believe that the audit evidence obtained by us along with the consideration of auditors' report referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial results.

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

The Parent Company's management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial results that give a true and fair view of the net profit for the year ended March 31, 2025 and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.



The respective Management and the Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Results**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Parent has adequate internal financial controls system in place with reference to financial statement and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial results of which we are the Independent Auditors. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial results/ financial information of the entities or business activities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of the financial results of the Parent included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent of which we are the independent auditors 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.

We have also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

#### Other Matters

- a) We did not audit the consolidated financial statements of the following subsidiary companies, whose financial statements reflect total assets as at March 31, 2025, total revenue and net cash flow/(outflow) for the year ended as on that date, considered as under in the consolidated financial results based on financial statements audited and reported upon by another auditors:

Name of the Subsidiary	Total Assets as at March 31, 2025	For the year ended March 31, 2025			
		Total Income	Net Profit/ (Loss) after tax	Total Comprehensive Income	Net Cash Inflow/ (Outflow)
Electrosteel Trading S.A.U. Spain	4,85.62	8,55.35	(17.54)	(13.18)	(84.58)
Electrosteel Casting Gulf FZE	3,311.69	39,78.52	(27.46)	(2.08)	(5.97)
Electrosteel Doha for Trading LLC	3,086.06	36,82.10	4,68.53	5,31.80	(1,00.11)

Rs. in Lakhs)



Name of the Subsidiary	Total Assets as at March 31, 2025	For the year ended March 31, 2025			
		Total Income	Net Profit/ (Loss) after tax	Total Comprehensive Income	Net Cash Inflow/ (Outflow)
Electrosteel Bahrain Holding Company S.P.C (including Stepdown subsidiary Electrosteel Bahrain Holding Company S.P.C)	1,34,53.54	2,10,49.79	9,56.63	10,44.65	453.61
Electrosteel Europe S.A.	6,99,50.49	8,58,69.96	82.00	399.90	(4,81.23)
Electrosteel Algeria SPA	3,26.14	1,62.87	74.14	78.54	0.76
Electrosteel Castings (UK) Limited	2,54,25.57	3,82,57.24	(1,20.17)	1,51.07	(56.65)
Electrosteel USA LLC (including Stepdown subsidiary WaterFeb LLC)	1,94,02.31	1,14,98.73	(12,87.20)	(11,72.79)	(18.79)
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	0.00	0.00	0.00	(2.95)	(0.00)
Singard International Pte Limited (w.e.f. October 22, 2024)	94,11.98	22,41.88	(3,50.92)	(3,69.51)	(1,79.30)
<b>Total</b>	<b>13,54,41.42</b>	<b>16,51,34.56</b>	<b>1,26.13</b>	<b>10,15.28</b>	<b>(2,52.76)</b>

These consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results of the Parent, in so far as it relates to the amounts and disclosures included in respect of the subsidiary in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors and the procedure performed by us as stated in Paragraph above.

The above-mentioned subsidiaries are located outside India whose annual financial results have been prepared in accordance with the accounting principles generally accepted in their respective countries and have been audited by their auditors under generally accepted standards and practices applicable in the respective countries.

The financial results of Electrosteel Brasil Ltda. Tubos e Conexoes Duteis which are not required to be audited as per the relevant laws of the host country and which as such are not material to the overall operations of the Group have been as audited by an independent Chartered Accountant. The financial results of aforesaid subsidiaries have been converted to Indian rupees (INR) and compiled as per the accounting principles generally accepted in India by the Parent's management and carrying out the adjustments ('the subsidiary statements') required for the purpose of incorporating these in the consolidated financial results of the Group. These subsidiary statements as converted and compiled by the Parent's management, while placing reliance on the same have been reviewed by us.

- b) Our Opinion on the Consolidated Financial Results is not modified in respect of the matters stated in (a) above with respect to reliance on the work done by us and the reports of other auditors and the subsidiary statements certified by the management.



- c) As stated in Note no. 6, Singardo International Pte. Limited (Singardo) has become the wholly owned subsidiary of the Group with effect from October 22, 2024. Accordingly, as required in terms of the Ind AS 103 'Business Combination', the assets and liabilities of the said subsidiary as per the audited financial statement as on October 21, 2024 as fair valued by an independent valuer appointed in this respect have been consolidated with effect from the said date for the purpose of these consolidated financial results. Reliance has been placed by us with respect to the financial statements for the period ended October 21, 2024 as audited by the statutory auditors of the said subsidiary and the valuation of the assets and liabilities of Singardo as on that date as valued and reported upon by an independent valuer appointed for the purpose.

Further, the result of the operation for the period from October 22, 2024 to March 31, 2025 as considered for the purpose of consolidation of the financial results have been taken as the balancing figure between the audited financial statement for the year ended March 31, 2025 and financial statement for the period ended on October 21, 2024 as stated above.

- d) In view of the Investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the Parent being fully provided in the earlier year, the results of North Dhadhu Mining Company Private Limited have not been incorporated in these consolidated financial results.
- e) These consolidated financial results include the results for the quarter ended March 31, 2025, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31, 2024. These figures were subject to limited review by us as required under the Listing Regulations.
- f) Our Opinion is not modified with respect to the matters stated in (c) to (e) above.

Place: Kolkata  
Date: May 10, 2025



For Lodha & Co LLP,  
Chartered Accountants  
Firm's ICAI Registration No. 301051E/E300284

*R. P. Singh*  
R. P. Singh  
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**ELECTROSTEEL CASTINGS LIMITED**  
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(Rs. in lakhs)

**STATEMENT OF AUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2025**

Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Year to date figures for current year ended	Year to date figures for previous year ended
	31/03/2025	31/12/2024	31/03/2024	31/03/2025	31/03/2024
	(Audited) (Refer Note No.8)	(Unaudited)	(Audited) (Refer Note No.8)	(Audited)	(Audited)
1. Revenue From Operations	170068.16	177957.77	209425.52	731996.71	747001.13
2. Other Income	3864.72	3920.68	3429.81	12311.11	10224.08
3. Total income ( 1 + 2 )	173932.88	181878.45	203855.33	744307.82	750225.22
4. EXPENSES					
(a) Cost of materials consumed	87384.49	80225.41	93649.25	364430.45	350569.12
(b) Purchase of Stock-in-Trade	4639.77	4014.77	3550.26	16192.29	14305.38
(c) Changes in inventories of finished goods, Stock-in-Trade and process stock	(9422.84)	(4474.34)	1775.39	(19653.80)	10866.89
(d) Employee benefit expenses	14277.95	14677.30	11652.30	55186.85	47732.95
(e) Finance costs	3450.73	4464.96	5150.97	16070.87	21882.91
(f) Depreciation and amortization expense	3738.37	3673.72	3424.78	14205.26	12852.14
(g) Other expenses	57228.76	52222.03	58670.63	212264.14	236483.46
Total expenses	161297.33	166030.85	178773.60	658606.08	664254.87
5. Profit before tax ( 3-4 )	12635.65	21274.60	25081.73	85611.76	83750.35
6. Tax expense:					
Current tax	2763.87	5769.05	6698.58	21628.36	24860.87
Deferred tax	(6958.82)	(511.93)	305.47	(6987.88)	(1498.80)
Income tax pertaining to earlier years	-	-	(3647.00)	-	(3647.00)
7. Profit for the period (3-6)	16830.60	16014.58	2274.62	7997.52	74015.28
8. Profit for the period attributable to:					
- Owners of the Parent	16831.32	16014.57	22708.04	79955.79	73980.11
- Non-Controlling Interest	(0.72)	2.01	6.64	15.49	26.17
9. Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss					
a) Remeasurements of the defined benefit plans	(200.86)	27.59	103.32	(118.31)	99.92
b) Equity instruments through other comprehensive income	0.12	5.11	0.05	(1631.43)	(592.65)
(ii) Income tax relating to items that will not be reclassified to profit or loss	50.93	(8.11)	(26.03)	28.88	(26.73)
B (i) Items that will be reclassified to profit or loss					
- Foreign currency translation differences	819.70	(844.15)	(255.43)	870.28	494.01
(ii) Income tax relating to item that will be reclassified to profit or loss	-	-	-	-	-
Other Comprehensive Income (net of tax)	669.89	(819.56)	(178.06)	(250.58)	(25.45)
10. Other Comprehensive Income attributable to:					
- Owners of the Parent	669.89	(819.56)	(178.06)	(250.58)	(25.45)
- Non-Controlling Interest	-	-	-	-	-
11. Total Comprehensive Income for the period (7+9)	17300.49	15197.02	22536.62	70720.70	73969.83
12. Total Comprehensive Income attributable to:					
- Owners of the Parent	17301.21	15195.01	22539.28	70705.21	73963.66
- Non-Controlling Interest	(0.72)	2.01	6.64	15.49	26.17
13. Paid-up equity share capital (Face value - Rs. 1/-)	6181.84	6181.84	6181.84	6181.84	6181.84
14. Other equity excluding revaluation reserve	-	-	-	571977.52	505103.61
15. Earnings per equity share of per value of Re. 1 each (not annualised)					
(1) Basic (Rs.)	2.72	2.59	3.71	11.48	12.35
(2) Diluted (Rs.)	2.72	2.59	3.69	11.48	12.30



## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at	As at
	March 31, 2025	March 31, 2024
	(Audited)	(Audited)
<b>A. ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant and Equipment	301806.87	284181.49
(b) Capital work-in-progress	124889.33	122855.72
(c) Goodwill on consolidation	216.03	216.03
(d) Other Intangible assets	427.61	474.09
(e) Right-of use assets	7716.03	7954.22
(f) Investments in joint ventures	-	-
(g) Financial Assets		
(i) Investments	4933.94	6001.92
(ii) Loans	110.46	23.70
(iii) Other financial assets	62372.33	29450.89
(h) Non Current Tax Assets (Net)	795.76	1015.63
(i) Other non-current assets	728.86	1061.05
<b>Total Non-Current assets</b>	<b>503997.22</b>	<b>453234.74</b>
<b>(2) Current assets</b>		
(a) Inventories	246397.19	227349.16
(b) Financial Assets		
(i) Investments	9588.03	14440.35
(ii) Trade receivables	148274.45	136516.50
(iii) Cash and cash equivalents	16735.31	27908.09
(iv) Bank balances other than (iii) above	3827.76	12128.25
(v) Other financial assets	22147.55	20849.98
(c) Other current assets	18564.09	18398.69
<b>Total Current assets</b>	<b>465534.38</b>	<b>457591.02</b>
<b>Total Assets</b>	<b>969531.60</b>	<b>910825.76</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	6181.84	6181.84
(b) Other Equity	571977.52	505103.64
(c) Non-Controlling Interest	112.66	152.67
<b>Total Equity</b>	<b>578272.02</b>	<b>511438.15</b>
<b>LIABILITIES</b>		
<b>(1) Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	21821.42	41780.61
(ii) Lease liabilities	4884.53	5558.73
(iii) Other financial liabilities	55940.29	25043.42
(b) Provisions	4898.69	4289.69
(c) Deferred tax liabilities (Net)	23472.56	30482.46
(d) Other non-current liabilities	374.07	396.63
(e) Non-current Tax Liabilities (Net)	1969.79	1917.65
<b>Total Non-current liabilities</b>	<b>113361.35</b>	<b>109469.19</b>
<b>(2) Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	184146.78	184865.00
(ii) Lease liabilities	1692.57	1273.81
(iii) Trade payables		
(a) Total Outstanding dues of micro and small enterprises: and	1604.00	2005.82
(b) Total Outstanding other than micro and small enterprises	54048.16	52490.13
(iv) Other financial liabilities	8088.88	7693.00
(b) Other current liabilities	24269.95	36463.08
(c) Provisions	3167.35	3443.85
(d) Current Tax Liabilities (Net)	880.54	1683.73
<b>Total Current liabilities</b>	<b>277898.23</b>	<b>289918.42</b>
<b>Total Equity and Liabilities</b>	<b>969531.60</b>	<b>910825.76</b>



CONSOLIDATED STATEMENT OF CASH FLOW		
(Rs. in lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	85611.76	93730.35
Adjustment to reconcile profit before tax to net cash generated from operating activities		
<b>Add:</b> Depreciation and amortisation expenses	14205.26	12452.16
Sundry balances/Advances/CWIP written off	26.55	779.11
Bad Debts	10.09	127.78
Credit loss allowances on trade receivables/advances/others	3.60	-
Provision for inflationary and other risks	72.35	67.84
Loss on sale / discard of Property, Plant and Equipments (Net)	1382.19	2694.34
Fair Valuation of derivative instruments through Profit and Loss	543.08	(357.82)
Finance costs	16070.87	21882.91
	32313.99	37556.52
	117925.75	131286.87
<b>Less:</b> Interest Income	5716.18	5850.49
Dividend Income from Investments	-	1.06
Deferred Income	672.81	25.64
Net gain on derecognition of financial assets at amortised cost	4.72	15.01
Profit on sale of Current Investments	455.71	643.84
Net gain / (loss) on Fair valuation of Current Investments	865.91	730.37
Unrealised foreign exchange fluctuation and translation	893.37	(862.07)
Provisions / Liabilities no longer required written back	1364.10	2021.38
	9972.89	8425.72
<b>Operating Profit before Working Capital changes</b>	107952.86	122861.15
Movements in working capital		
<b>Less:</b> Increase/(Decrease) in Inventories	16351.02	432.93
Increase/(Decrease) in Trade Receivables	10823.69	2055.34
Increase/(Decrease) in Loans and Advances, other financial and non-financial assets	843.64	2005.39
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	9849.71	(3769.46)
	37868.08	(9284.20)
<b>Cash generated From Operations</b>	70084.80	103576.95
Less: Direct Taxes paid (Net)	22040.20	23286.67
<b>Net cash flow from Operating activities (A)</b>	48044.60	80290.28
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment against Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	(27765.27)	(24439.08)
Realisation against Property, Plant and Equipment, Intangible Assets	364.69	410.03
Purchase of Non Current Investment	(4148.97)	-
Purchase of Current Investments	(38590.71)	(434030.97)
Proceeds on redemption/sale of Current Investments	391834.65	430595.88
Inter Corporate Loan repaid	-	10935.09
Interest received	2766.58	4231.61
Dividend received	-	1.06
Increase in non current financial liabilities	30896.87	25,043.42
Investment in fixed deposits against non current financial liabilities	(30896.87)	(25,286.00)
Movement in bank balances other than cash and cash equivalents	8338.39	(14190.44)
	(14190.44)	(3551.69)
<b>Net Cash flow from Investing activities (B)</b>	(14190.44)	(3551.69)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share warrants	-	7500.59
Payment to Non- Controlling Interest	(59.49)	-
Proceeds/(Repayments) from short term borrowings (net)	(9513.35)	(11221.26)
Repayment of Long Term borrowings	(13319.77)	(70211.80)
Proceeds from Long Term borrowings	-	32175.54
Interest and other borrowing cost paid	(16443.36)	(20991.74)
Payment against Lease Liabilities	(540.01)	(778.91)
Dividend paid	(5563.66)	(8442.37)
	(45439.64)	(71779.95)
<b>Net cash flow from Financing activities (C)</b>	(45439.64)	(71779.95)
<b>D. Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)</b>	(11585.48)	4858.64
<b>E. Cash and Cash equivalents at the beginning of the year</b>	27908.09	23049.45
<b>F. Cash and Cash equivalents on Business Combination (Refer note no. 6)</b>	412.70	-
<b>G. Cash and Cash equivalents at the end of the year</b>	16735.31	27908.09

Note :

(a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows' as noted under Companies Act, 2013.



**Notes:**

1. (a) The above Audited Consolidated Financial Results for the quarter and year ended March 31, 2025 (hereinafter referred to as "Consolidated Financial Results") includes Statement of Asset and Liabilities as at March 31, 2025 ("Annexure I") and Statement of Cash Flow for the year ended March 31, 2025 ("Annexure II") attached herewith which have been compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). These consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 10, 2025 and have been Audited by the Statutory Auditors of the group.

(b) The consolidated financial results for the quarter and year ended March 31, 2024 include the figures of the Electrosteel Castings Limited ('the parent') together with its subsidiaries namely Electrosteel Trading S.A.U. (formerly Electrosteel Trading S.A.), Spain, Electrosteel Castings Gulf PZC, Electrosteel Doha for Trading LLC, Electrosteel Brasil Ltd. Tubas e Conexos Dubai, Electrosteel Bahrain Holding Company S.P.C, Electrosteel Europe S.A, Electrosteel Castings (UK) Limited, Electrosteel USA, LLC, WaterFab LLC (wholly owned subsidiary Electrosteel USA, LLC), Electrosteel Bahrain Trading WLL (subsidiary of Electrosteel Bahrain Holding Company S.P.C), Electrosteel Algeria SPA and Singapore International Pte. Limited (w.e.f. October 22, 2024)

2. The group operates mainly in one business segment viz. Pipes and fittings and all other activities revolve around the main business.

3. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India ('the Order') followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice ('legislative department') dated October 21, 2014 ('Ordinance') for implementing the Order, allotment of Parbatpur coal block ('coal block'/mines) to the Parent which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the parent was allowed to continue the operations in the said coal block till March 31, 2015. Accordingly, the said coal block had been handed over to Bharat Koking Coal Limited ('BCKL') as per the direction from Coal India Limited ('CIL') with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited ('SAIL') and pending final determination, compensation of Rs. 8312.14 lakhs was received. The parent also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCKL.

Following a petition filed by the parent, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly, based on the said judgement, the parent has so far claimed Rs. 154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. The Nominated Authority appointed for deciding the amount of compensation had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the same. The Nominated Authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 100.00 lakhs with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority ('New Nominated Authority') had appointed a valuer to determine the value of those specified assets as per the direction of the Nominated Authority dated November 11, 2019. The parent came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority. Moreover, the parent had also earlier approached the New Nominated Authority/ Ministry of Coal ('Ministry') to reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets and the final compensation is yet to be decided.

In the meantime, JSW Steel Limited ('JSW') had been declared as successful bidder for Parbatpur Coal Block in "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and vesting order dated June 08, 2023 was issued by the Ministry of Coal in favour of JSW. JSW as being claimed by them took over the physical possession of said coal block and has therefore requested to initiate negotiations for utilization of movable property/ assets used in coal mining. Pending determination of the amount of claim, the parent has approached Hon'ble Delhi High Court and the matter is pending as on this date. The parent's management is actively pursuing to revise and determine the amount of entire compensation for the coal block including mine infrastructure, land and all other related assets in terms of Coal Mines (Special Provisions) Act, 2015 read with judgement dated March 09, 2017 pronounced by the Hon'ble High Court of Delhi and is taking all the necessary legal and other steps for the same.

Pending finalization of the matter as above;

(i) Rs.128894.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Parent has been continued to be shown as fresh land, capital work in progress, other fixed assets and other respective heads of account;

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs have been considered as other recoverable under current assets; and

(iii) Compensation of Rs. 8312.34 lakhs so far received and net realizations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2050.04 lakhs have been adjusted. Bank guarantee amounting to Rs. 920.00 has been given against the compensation received.

Necessary disclosures and adjustments arising with respect to above and determination of resultant claim will be given effect to on final acceptance/settlement of the amount thereof.

4. (a) The Parent holds 19796000 equity shares of Rs. 10/- each in ESL Steel Limited ('ESL') out of which 17334999 equity shares of Rs. 10/- each amounting to Rs. 431.21 lakhs were pledged with the consortium of lenders of ESL ('lenders'). The notices issued by the lenders for invocation of pledge of parent's investment was set aside by the Hon'ble High Court at Kolkata in the earlier year and the parent's plea for release of such pledge is pending before the said Hon'ble High Court.

(b) Further in the earlier years, certain land amounting to Rs. 29493.58 lakhs of the parent, situated at Elowur, Tamil Nadu, were mortgaged to another lender SREE Infrastructure Finance Limited ('SREFI') of ESL and SREFI had subsequently assigned it's right in the said property to an Asset Reconstruction Company ('ARC') although the claims of the said lender were fully discharged by ESL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal ('NCLT'), Kolkata. Subsequently, the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land. The parent had disputed the alleged assignment of the loan by the lender and as directed by the Hon'ble Supreme Court had filed an application before the Debt Recovery Tribunal ('DRT'), Chennai for setting aside the SARAFESI actions and release of the title deeds of the land which vide order dated April 08, 2022 (uploaded on April 27, 2022) had been dismissed by DRT. On filing the appeal before the Debt Recovery Appellate Tribunal ('DRAT') against the order of DRT, DRAT has directed the parent to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs against which revision application under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution has been filed before Hon'ble Madras High Court and the matter is pending before the said court.

Earlier, the ARC had also filed an application before Hon'ble NCLT, Cuttack for Initiation of Corporate Insolvency and Resolution Process ('CIRP') against the parent which had been decided in the favour of the parent vide NCLT order dated June 24, 2022 ('the Order'). The said order on being challenged by the ARC has been upheld by Hon'ble National Company Law Appellate Tribunal ('NCLAT') vide it's order dated January 24, 2024 and thereby the order dismissing the application of ARC by NCLT as above stands valid and effective. The judgement of NCLAT has been challenged before the Hon'ble Supreme Court of India which is yet to be decided by the said court.

Pending finalization of the matter, these assets have been carried forward at their book value.



5.	<p>Consequent to the change in rate of taxation on Capital Gain and withdrawal of Indecation benefit pursuant to the Finance (No.2) Act 2024, computation of deferred tax liability carried forward from previous year has been revised by the parent and resultant differential amounting to Rs. 8098.17 lakhs (net) being no longer required has been reversed and adjusted against the tax charge for the quarter and year ended March 31, 2025.</p>
6.	<p>In terms of the share purchase agreement entered with the shareholders of Singardo International Pte. Limited ("Singardo") on September 25, 2024 the parent agreed to acquire 99.11% of the Equity Shares at a consideration of SGD 64,42,450. The parent has remitted the entire consideration equivalent to Rs. 4148.97 lakhs on October 07, 2024 and on allotment of Equity Shares thereafter on October 22, 2024, Singardo has become a wholly owned subsidiary of the parent.</p> <p>For the purpose of consolidation as required in terms of the Ind AS 103 'Business Combination', the parent has carried out fair valuation of the assets and liabilities as per the audited financial statement of Singardo as on October 21, 2024 by an independent valuer appointed in this respect and the values so arrived at have been taken into consideration for the purpose of the consolidated financial results of the Group.</p>
7.	<p>Subsequent to the balance sheet date, the Board of Directors of the parent has recommended a final dividend of Rs. 1.40 per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2025. This equity dividend is subject to approval by the shareholders at the ensuing Annual General Meeting and has not been included as a liability in these consolidated financial results. The estimated amount of final dividend to be paid thereof amounts to Rs. 8654.58 lakhs.</p>
8.	<p>The figures for the quarters ended March 31, 2025 and March 31, 2024 are the balancing figures between the audited figures in respect of the full financial year and the year to date figure upto the quarter ended December 31 of the respective years which were subject to limited review by the Statutory Auditors.</p>
9.	<p>Previous periods' figures have been regrouped/rearranged wherever necessary.</p>

Kolkata  
May 10, 2025



For ELECTROSTEEL CASTINGS LIMITED

*Umang K. Prasad*  
Umang K. Prasad  
Managing Director  
(DIN: 0005172)

**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Consolidated Audited Financial Results**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2025**  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

		(Rs in Lakhs)		
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	744307.82	
	2.	Total Expenditure	658696.06	
	3.	Net Profit/(Loss) (including other comprehensive income)	70720.70	Not Ascertainable
	4.	Earnings Per Share (Basic)	11.48	
	5.	Total Assets	969531.60	
	6.	Total Liabilities	969531.60	
	7.	Net Worth (Equity Share Capital plus Other Equity)	578272.02	
	8.	Any other financial item(s) (as felt appropriate by the management)	--	

**II. Audit Qualification (each audit qualification separately):**

**a. Details of Audit Qualification:**

Attention has been drawn by the Auditors' under the heading "Basis of Qualified Opinion" of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31<sup>st</sup> March 2025 -

Sub Para (a): Note no. 3 regarding cancellation of coal block allotted to the parent in earlier year and adjustments to be given effect to in respect of the claims made by the parent, amount awarded so far in this respect and required disclosures/ adjustments in terms of Ind AS with respect to the carrying amounts of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account and carried forward pending determination of the amount of claim in this respect due to the reasons stated therein.

Sub Para (b): Note no. 4(a) in respect of parent's Investment in the equity shares of ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Kolkata and the matter is currently pending before the said court. Further, as stated in Note no. 4(b) dealing with mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the said land was taken by the said party. The matter has been disputed by the parent and as stated in the said note is currently pending before DRAT and Hon'ble Madras High Court.

Sub Para (c): Pending finalization of the matters dealt with in Sub Para (a) and Sub Para (b) above, impacts thereof are presently not ascertainable and as such cannot be commented upon by us.



- b. **Type of Audit Qualification:** Qualified Opinion / Disclaimer-of-Opinion / Adverse-Opinion
- c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 3 since financial year 2014-15 and Note no. 4 since financial year 2017-18.
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**  
N.A
- e. **For Audit Qualification(s) where the Impact is not quantified by the auditor:**
- (i) **Management's estimation on the impact of audit qualification:** N.A
- (ii) **If management is unable to estimate the impact, reasons for the same:**

Sub Para [a] In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India ("the Order") followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 ("Ordinance") for implementing the Order, allotment of Parbatpur coal block ('coal block'/mines) to the Parent which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the parent was allowed to continue the operations in the said coal block till March 31, 2015. Accordingly, the said coal block had been handed over to Bharat Coking Coal Limited ('BCCL') as per the direction from Coal India Limited ('CIL') with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited ('SAIL') and pending final determination, compensation of Rs. 8312.14 lakhs was received. The parent also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCC.

Following a petition filed by the parent, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly, based on the said judgement, the parent has so far claimed Rs. 154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. The Nominated Authority appointed for deciding the amount of compensation had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the same. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of the Nominated Authority dated November 13, 2019. The parent came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority. Moreover, the parent had also earlier approached the New Nominated Authority/ Ministry of Coal ('Ministry') to reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets and the final compensation is yet to be decided.

In the meantime, JSW Steel Limited ('JSW') had been declared as successful bidder for Parbatpur Coal Block in "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and vesting order dated June 08, 2023 was issued by the Ministry of Coal in favour of JSW. JSW as being claimed by them took over the physical possession of said coal block and has therefore requested to initiate negotiations for utilization of movable property/ assets used in coal mining. Pending determination of the amount of claim, the parent has approached Hon'ble Delhi High Court and the matter is pending as on this date. The parent's management is actively pursuing to revise and determine the amount of entire compensation for the coal block including mine infrastructure, land and all other related assets in terms of Coal Mines (Special Provisions) Act, 2015 read with judgement dated March 09, 2017 pronounced by the Hon'ble High Court of Delhi and is taking all the necessary legal and other steps for the same.



Pending finalisation of the matter as above;

- (i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off Income, stocks etc. there against as per the accounting policy then followed by the Parent has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;
- (ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs have been considered as other recoverable under current assets; and
- (iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2090.04 lakhs have been adjusted. Bank guarantee amounting to Rs. 920.00 has been given against the compensation received.

Necessary disclosures and adjustments arising with respect to above and determination of resultant claim will be given effect to on final acceptance/settlement of the amount thereof.

Sub Para (b) - In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by ESL Steel Limited (ESL) for giving Impact of the resolution plan, ESL had ceased to be an associate of the parent during the quarter ended June 30, 2018. To comply with the requirements of Ind AS 109 "Financial Instruments", the parent had fair valued the investment in ESL and a sum of Rs. 57868.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss in the quarter ended June 30, 2018. Further in terms of the approved resolution plan, advances and trade receivable amounting to Rs. 21121.70 lakhs receivable from ESL was written off during the quarter ended September 2018 shown as exceptional item in the statement of Profit and Loss.

The parent Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. During the year, the parent company has fair valued the equity share of ESL and a loss of Rs. 1037.31 lakhs has been accounted for under other comprehensive income.

Investment in ESL include 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 4311.21 lakhs as on March 31, 2025 which were pledged with the consortium of lenders of ESL (lenders) and the said pledge was not released by the lenders even after the settlement of their debt as per the approved resolution plan as above. The notices issued by the lenders for invocation of pledge of parent's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the parent's plea for release of such pledge is pending before the said Hon'ble High Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs of the parent, situated at Elavur, Tamil Nadu, were mortgaged to another lender SREI Infrastructure Finance Limited ('SREI') of ESL and SREI had subsequently assigned its right in the said property to an Asset Reconstruction Company ('ARC') although the claims of the said lender were fully discharged by ESL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal ('NCLT'), Kolkata. Subsequently, the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land. The parent had disputed the alleged assignment of the loan by the lender and as directed by the Hon'ble Supreme Court had filed an application before the Debt Recovery Tribunal ('DRT'), Chennai for setting aside the SARAFESI actions and release of the title deeds of the land which vide order dated April 08, 2022 (uploaded on April 27, 2022) had been dismissed by DRT. On filing the appeal before the Debt Recovery Appellate Tribunal ('DRAT') against the order of DRT, DRAT has



directed the parent to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs against which revision application under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution has been filed before Hon'ble Madras High Court and the matter is pending before the said court.

Earlier, the ARC had also filed an application before Hon'ble NCLT, Cutback for initiation of Corporate Insolvency and Resolution Process ("CIRP") against the parent which had been decided in the favour of the parent vide NCLT order dated June 24, 2022 ("the Order"). The said order on being challenged by the ARC has been upheld by Hon'ble National Company Law Appellate Tribunal ("NCLAT") vide its order dated January 24, 2024 and thereby the order dismissing the application of ARC by NCLT as above stands valid and effective. The judgement of NCLAT has been challenged before the Hon'ble Supreme Court of India which is yet to be decided by the said court.

Pending finalization of the matter, these assets have been carried forward at their book value.

(iii) **Auditors' Comments on (i) or (ii) above:**

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained and as such cannot be commented upon by us.

III. **Signatories:**

CEO/Managing Director

Sunil Mittal  
(Wholetime Director and Group Chief Executive Officer)



CFD

Ashutosh Agarwal  
(Wholetime Director and Chief Financial Officer)

Audit Committee Chairman

Jinendra Kumar Jain  
(Audit Committee Chairman)

Statutory Auditor

For Lodha & Co LLP  
Chartered Accountants  
Firm's Registration No: 301051E / E300284

R. P. Singh  
(Partner)  
Membership No: 052438



Place: Kolkata

Date: May 10, 2025

**INDEPENDENT AUDITORS' REPORT****The Board of Directors of Electrosteel Castings Limited****Report on the Audit of the Standalone Annual Financial Results****Qualified Opinion**

We have audited the accompanying standalone financial results of Electrosteel Castings Limited (hereinafter referred to as the "Company") for the year ended March 31, 2025 and the notes thereon (hereinafter referred to as the "Financial Results") attached herewith, being compiled by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). The financial results have been initiated by us for the purpose of identification.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- except for the possible effect of the matter described in the "Basis for Qualified Opinion" paragraph below, give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India of the net profit and other comprehensive income for the quarter and year ended March 31, 2025 and other financial information for the year ended on that date.

**Basis for Qualified Opinion**

Attention is invited to the following notes of the accompanying financial results:

- Note no. 3 regarding cancellation of coal block allotted to the company in earlier year and adjustments to be given effect to in respect of the claims made by the company, amount awarded so far in this respect and required disclosures/ adjustments in terms of Ind AS with respect to the carrying amounts of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account and carried forward pending determination of the amount of claim in this respect as stated in the said note; and
- Note No. 4(a) in respect of company's investment in the equity shares of ESL Steel Limited (ESL), the pleading which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Kolkata and the matter is currently pending before the said court. Also, Note no. 4(b) dealing with mortgage of Land at Elevar plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the said land was taken by the said party. The matter has been disputed by the company and as stated in the said note is currently pending before DPAT and Hon'ble Madras High Court.
- Pending finalization of the matters dealt with in (a) and (b) above, impacts thereof are presently not ascertainable and as such cannot be commented upon by us.



We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics and provisions of the Companies Act, 2013 that are relevant to our audit of the financial statements in India under the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Results**

These financial results have been prepared on the basis of the standalone annual financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit for the year ended March 31, 2025 and other comprehensive income and other financial information of the company in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Management and the 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditors' Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 standalone financial results.

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 standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls system 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 use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial results 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results 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.

**Other Matters**

These standalone annual financial results include the results for the quarter ended March 31, 2025, being the balancing figure between the audited figures in respect of the full financial year and the published year to date figures upto December 31, 2024. These figures were subject to limited review by us as required under the Listing Regulations. Our opinion is not modified in this respect.

Place: Kolkata  
Date: May 10, 2025



For Lodha & Co LLP,  
Chartered Accountants  
Firm's ICAI Registration No. 301061E/ E300284

*R. P. Singh*  
R. P. Singh  
Partner  
Membership No: 52438  
UDIN: 250524388MONNNM9G13

**ELECTROSTEEL CASTINGS LIMITED**

CIN: L27310OR1955PLC000310

Registered Office : Rathod Colony, P. O. Rajgangpur, Sundergarh, Odisha 770 017

Tel. No.:+91 06624 220 332; Fax:+91 06624 220 332

Corporate Office: 19, Camac Street, Kolkata 700 017

Website: www.electrosteel.com

E-mail: companysecretary@electrosteel.com

(Rs. in lakhs)

**STATEMENT OF AUDITED STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2025**

Particulars	3 months ended 31/03/2025	Preceding 3 months ended 31/12/2024	Corresponding 3 months ended in the previous year 31/03/2024	Year to date figures for current year ended 31/03/2025	Year to date figures for previous year ended 31/03/2024
	(Audited) (Refer Note No. 7)	(Unaudited)	(Audited) (Refer Note No. 7)	(Audited)	(Audited)
1. Revenue From Operations	156295.39	165915.02	177629.81	674588.28	693801.41
2. Other Income	3815.97	1612.68	3534.57	9392.58	10567.41
3. <b>Total income ( 1 + 2 )</b>	<b>160071.32</b>	<b>167527.70</b>	<b>181164.38</b>	<b>683980.86</b>	<b>704368.82</b>
4. <b>EXPENSES</b>					
(a) Cost of materials consumed	87384.49	86025.41	93649.25	364430.45	350569.12
(b) Purchase of Stock-in-Trade	-	3.13	-	3.91	2.48
(c) Changes in Inventories of finished goods, Stock-in-Trade and process stock	(7707.90)	(3372.02)	(7407.36)	(20017.77)	5327.02
(d) Employee benefit expenses	11318.99	11242.78	9918.59	43607.61	39272.04
(e) Finance costs	3058.78	3993.32	4610.14	14181.44	20185.53
(f) Depreciation and amortization expense	3304.07	3309.10	2937.46	12747.38	11432.34
(g) Other expenses	47776.75	45648.94	53151.14	184356.14	184610.50
<b>Total expenses</b>	<b>145135.18</b>	<b>146850.66</b>	<b>156879.22</b>	<b>599309.06</b>	<b>611399.03</b>
5. <b>Profit before tax ( 3 - 4 )</b>	<b>14936.14</b>	<b>20677.04</b>	<b>24285.16</b>	<b>84671.80</b>	<b>92969.79</b>
6. Tax expenses:					
Current tax	3042.33	5369.63	6015.86	20863.00	23505.00
Deferred tax	(7181.14)	(406.51)	49.81	(7403.52)	(493.70)
Income tax pertaining to earlier years	-	-	(3647.00)	-	(3647.60)
7. <b>Profit for the period ( 5 - 6 )</b>	<b>19074.95</b>	<b>15713.92</b>	<b>21866.49</b>	<b>71212.32</b>	<b>73605.49</b>
8. <b>Other Comprehensive Income</b>					
A (i) Items that will not be reclassified to profit or loss					
a) Remeasurements of the defined benefit plans	(200.86)	27.59	103.32	(118.31)	99.92
b) Equity instruments through other comprehensive income	-	5.11	-	(1031.70)	(592.90)
(ii) Income tax relating to items that will not be reclassified to profit or loss	50.93	(8.11)	(26.00)	28.88	(26.73)
B (i) Items that will be reclassified to profit or loss					
a) Effective portion of Cash flow hedge reserve	-	-	-	-	-
(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-
<b>Other Comprehensive Income for the period (net of tax)</b>	<b>(149.93)</b>	<b>24.59</b>	<b>77.32</b>	<b>(1121.13)</b>	<b>(519.71)</b>
9. <b>Total Comprehensive Income for the period ( 7 + 8 )</b>	<b>18925.02</b>	<b>15738.51</b>	<b>21943.81</b>	<b>70091.19</b>	<b>73085.78</b>
10. Paid-up equity share capital (Face value - Rs. 1/-)	6181.84	6181.84	6181.84	6181.84	6181.84
11. Other equity excluding revaluation reserve				557935.21	493007.68
12. <b>Earnings per equity share of par value of Rs. 1 each. (not annualised)</b>					
(1) Basic (Rs.)	3.09	2.54	3.57	11.52	12.29
(2) Diluted (Rs.)	3.09	2.54	3.55	11.52	12.24



## STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Particulars		As at	As at
		March 31, 2025	March 31, 2024
		Audited	Audited
<b>A.</b>	<b>ASSETS</b>		
	<b>( 1 ) Non-current assets</b>		
	(a) Property, Plant and Equipment	290727.30	277666.99
	(b) Capital work-in-progress	124878.49	122845.18
	(c) Other intangible assets	368.28	384.22
	(d) Right-of-use assets	3560.58	3870.11
	(e) Investments in subsidiaries and joint ventures	10553.57	6368.05
	(f) Financial Assets		
	(i) Investments	4932.75	6001.00
	(ii) Other financial assets	62306.90	29386.76
	(g) Non-current tax assets (Net)	561.27	775.29
	(h) Other non-current assets	728.86	1061.05
	<b>Total Non-Current assets</b>	<b>498618.00</b>	<b>448298.65</b>
	<b>( 2 ) Current assets</b>		
	(a) Inventories	188387.01	173811.16
	(b) Financial Assets		
	(i) Investments	9588.03	14440.35
	(ii) Trade receivables	171241.94	156244.37
	(iii) Cash and cash equivalents	11008.04	22158.46
	(iv) Bank balances other than (ii) above	3827.76	12128.25
	(v) Other financial assets	19461.18	19988.60
	(c) Other current assets	13906.29	11732.54
	<b>Total Current assets</b>	<b>417411.25</b>	<b>410503.73</b>
	<b>Total Assets</b>	<b>916029.25</b>	<b>858802.38</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share capital	6181.84	6181.84
	(b) Other Equity	557535.21	492007.68
	<b>Total Equity</b>	<b>563717.05</b>	<b>499189.52</b>
	<b>Liabilities</b>		
	<b>( 1 ) Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	19118.40	39888.52
	(ii) Lease liabilities	1954.93	2054.71
	(iii) Other financial liabilities	59940.29	25043.42
	(b) Provisions	4545.13	4234.19
	(c) Deferred tax liabilities (Net)	26901.62	34333.42
	(d) Other non-current liabilities	374.07	396.63
	(e) Non-current Tax Liabilities (Net)	1969.79	1917.65
	<b>Total Non-current Liabilities</b>	<b>110803.63</b>	<b>107868.54</b>
	<b>( 2 ) Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	160934.49	161145.59
	(ii) Lease liabilities	801.61	363.64
	(iii) Trade payables		
	(a) Total Outstanding dues of micro and small enterprises: and	1604.00	2005.82
	(b) Total Outstanding dues other than micro and small enterprises	44860.34	47095.61
	(iv) Other financial liabilities	7347.95	6956.39
	(b) Other current liabilities	23114.49	32101.65
	(c) Provisions	2458.09	1476.10
	(d) Current Tax Liabilities (Net)	387.20	599.52
	<b>Total Current Liabilities</b>	<b>241908.57</b>	<b>251744.32</b>
	<b>Total Equity and Liabilities</b>	<b>916029.25</b>	<b>858802.38</b>



## STANDALONE STATEMENT OF CASH FLOW

Particulars	(Rs. in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	84671.80	92969.79
Adjustment to reconcile profit before tax to net cash generated from operating activities		
Add: Depreciation and amortisation expenses	12747.38	11432.34
Sundry balances/Advances/ OWP written off	26.58	778.11
Credit loss allowance on trade receivables/advances/others	19.81	-
Loss on sale / discard of Property, Plant and Equipments (Net)	1239.43	2604.54
Fair Valuation of derivative instruments through Profit and Loss	543.00	(387.82)
Finance costs	14181.44	28887.59
	133529.39	20185.53
Less: Interest income	8715.70	5850.49
Dividend income from investments	846.08	2028.12
Deferred Income	672.81	28.44
Net gain on derecognition of financial assets at amortised cost	4.72	15.01
Profit on sale of Current Investments	458.74	643.84
Net gain/(Loss) on fair valuation of Current Investment	865.91	739.37
Unrealised Foreign Exchange Fluctuation and translation provisions / Liabilities no longer required written back	892.37	(862.07)
	864.57	905.11
Operating Profit before Working Capital changes	103881.82	118276.98
Movements in working capital		
Less: Increase/(Decrease) in Inventories	14575.85	4375.30
Increase/(Decrease) in Trade Receivables	14857.30	26239.82
Increase/(Decrease) in Loans and Advances, other financial and non-financial assets	996.89	(646.34)
(Increase)/(Decrease) in Trade Payables, other financial and non-financial liabilities and provisions	10320.87	40486.95
	40486.95	(1342.95)
Cash generated From Operations	83436.91	80652.15
Less: Direct Taxes paid (Net)	20617.09	21853.26
Net cash flow from Operating Activities (A)	42819.82	67798.89
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment against Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	(27195.36)	(28728.96)
Resolutions against Property, Plant and Equipment, Intangible Assets	350.69	389.20
Purchase of Current Investments	(285580.71)	(434639.87)
Proceeds on redemption / Sale of Current Investments	391834.68	430506.88
Purchase of Non-Current Investment	(4,148.97)	-
Inter Corporate Loan repaid	-	10955.00
Interest received	2766.10	4291.61
Dividend received	840.98	2028.12
Increase in non current financial liabilities	30896.87	25043.42
Investment in fixed deposits against non current financial liabilities	(30896.87)	(32386.08)
Movement in bank balances other than cash and cash equivalents	8338.59	(12794.93)
	(12794.93)	8976.36
Net Cash flow from Investing Activities (B)	(12794.93)	(938.33)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from share warrants	-	7580.59
Proceeds/(Repayments) from short term borrowings (net)	(8083.04)	(7486.68)
Repayment of long term borrowings	(11810.20)	(88796.58)
Proceeds from long term borrowings	-	32178.84
Interest and other borrowing cost paid	(14776.53)	(19446.84)
Payment against Lease Liabilities	(138.88)	(311.46)
Dividend paid	(2563.66)	(41172.31)
	(41172.31)	(8442.37)
Net cash flow from Financing Activities (C)	(41172.31)	(64785.78)
D. Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	(11153.42)	2197.48
E. Cash and Cash equivalents at the beginning of the year	22188.46	20058.98
F. Cash and Cash equivalents as at the end of the year	11035.04	22188.46

Note:

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of Cash Flows" as amended under Companies Act, 2013.



**Notes:**

1. The above Audited Standalone Financial Results for the quarter and year ended March 31, 2025 (hereinafter referred to as "Financial Results") includes Statement of Assets and Liabilities as at March 31, 2025 ("Annexure I") and Statement of Cash Flows for the year ended March 31, 2025 ("Annexure II"), attached herewith which have been compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). These financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 10, 2025 and have been Audited by the Statutory Auditors.

2. The Company operates mainly in one business segment viz. Pipes and fittings and all other activities revolve around the main business.

3. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India ("the Order") followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 ("Ordinance") for implementing the Order, allotment of Perabtur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said coal block till March 31, 2015. Accordingly, the said coal block had been handed over to Bharat Coking Coal Limited ("BCL") as per the direction from Coal India Limited ("CIL") with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited ("SAIL") and pending final determination, compensation of Rs. 8312.34 lakhs was received. The company also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly, based on the said judgement, the Company has so far claimed Rs.154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. The Nominated Authority appointed for deciding the amount of compensation had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the same. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.80 lakhs with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority ("New Nominated Authority") had appointed a valuer to determine the value of those specified assets as per the direction of the Nominated Authority dated November 11, 2019. The company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority. Moreover, the company had also earlier approached the New Nominated Authority/ Ministry of Coal ("Ministry") to reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets and the final compensation is yet to be decided.

In the meantime, JSW Steel Limited ("JSW") had been declared as successful bidder for Perabtur Coal Block in 16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015 and vesting order dated June 08, 2023 was issued by the Ministry of Coal in favour of JSW. JSW as being claimed by them took over the physical possession of said coal block and has therefore requested to initiate negotiations for utilization of movable property/ assets used in coal mining. Pending determination of the amount of claim, the Company has approached Hon'ble Delhi High Court and the matter is pending as on this date. The company's management is actively pursuing to revise and determine the amount of entire compensation for the coal block including mine infrastructure, land and all other related assets in terms of Coal Mines (Special Provisions) Act, 2015 read with judgement dated March 09, 2017 pronounced by the Hon'ble High Court of Delhi and is taking all the necessary legal and other steps for the same.

Pending finalisation of the matter as above;

(I) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off Income, stocks etc. there against as per the accounting policy then followed by the Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;

(II) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs have been considered as other recoverable under current assets; and

(III) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2090.04 lakhs have been adjusted. Bank guarantee amounting to Rs. 925.00 lakhs has been given against the compensation received.

Necessary disclosures and adjustments arising with respect to above and determination of resultant claim will be given effect to on final acceptance/settlement of the amount thereof.

4. (a) The Company holds 19796090 equity shares of Rs. 10/- each in ISL Steel Limited ("ISL") out of which 17334999 equity shares of Rs. 10/- each amounting to Rs. 4311.21 lakhs were pledged with the consortium of lenders of ISL ("lenders"). The notices issued by the lenders for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Kolkata in the earlier year and the company's plea for release of such pledge is pending before the said Hon'ble High Court.

(b) Further in the earlier years, certain land amounting to Rs. 29493.58 lakhs of the company, situated at Bavour, Tamil Nadu, were mortgaged to another lender SREI Infrastructure Finance Limited ("SREI") of ISL and SREI had subsequently assigned its right in the said property to an Asset Reconstruction Company ("ARC") although the claims of the said lender were fully discharged by ISL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal ("NCLT"), Kolkata. Subsequently, the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land. The Company had disputed the alleged assignment of the loan by the lender and as directed by the Hon'ble Supreme Court had filed an application before the Debt Recovery Tribunal ("DRT"), Chennai for setting aside the SARAFESI actions and release of the title deeds of the land which vide order dated April 08, 2022 (uploaded on DRT, 2022) had been dismissed by DRT. On filing the appeal before the Debt Recovery Appellate Tribunal ("DRAT") against the order of DRT, DRAT has directed the Company to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs against which revision application under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution has been filed before Hon'ble Madras High Court and the matter is pending before the said court.

Earlier, the ARC had also filed an application before the Hon'ble NCLT, Cutback for initiation of Corporate Insolvency and Resolution Process ("CIRP") against the Company which had been decided in the favour of the Company vide NCLT order dated June 24, 2022 ("the Order"). The said order on being challenged by ARC has been upheld by Hon'ble National Company Law Tribunal ("NCLAT") vide its order dated January 24, 2024 and thereby the order dismissing the application of ARC by NCLT as above stands valid and effective. The judgement of NCLAT has been challenged before Hon'ble Supreme Court of India which is yet to be decided by the said court.

(c) Pending finalisation of the matter, these assets have been carried forward at their book value.



5. Consequent to the change in rate of taxation on Capital Gain and withdrawal of Indexation benefit pursuant to the Finance (No.2) Act 2024, computation of deferred tax liability carried forward from previous year has been revised and resultant differential amounting to Rs. 8098.17 lakhs (vat) being no longer required has been reversed and adjusted against the tax charge for the quarter and year ended March 31, 2025.
6. Subsequent to the balance sheet date, the Board of Directors has recommended a final dividend of Rs. 1.40 per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2025. This equity dividend is subject to approval by the shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial results. The estimated amount of final dividend to be paid thereof amounts to Rs. 8654.58 lakhs.
7. The figures for the quarters ended March 31, 2025 and March 31, 2024 are the balancing figures between the audited figures in respect of the full financial year and the year to date figure upto the quarter ended December 31 of the respective years which were subject to limited review by the Statutory Auditors.
8. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata  
May 10, 2025



For ELECTROSTEEL CASTINGS LIMITED



  
Umrig Kojriwal  
Managing Director  
(DIN: 00065173)

**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Standalone Audited Financial Results**

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2025  
(See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016)**

(Rs in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total Income	683980.86	Not Ascertainable
	2.	Total Expenditure	599309.06	
	3.	Net Profit/(Loss) (Including other comprehensive income)	70091.19	
	4.	Earnings Per Share (Basic)	11.52	
	5.	Total Assets	916029.25	
	6.	Total Liabilities	916029.25	
	7.	Net Worth (Equity Share Capital plus Other Equity)	563717.05	
	8.	Any other financial item(s) (as felt appropriate by the management)	--	-

**ii. Audit Qualification (each audit qualification separately):**

**a. Details of Audit Qualification:**

Attention has been drawn by the Auditors' under the heading "Basis of Qualified Opinion" of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31<sup>st</sup> March 2025 -

Sub Para (a): Note no.3 regarding cancellation of coal block allotted to the company in earlier year and adjustments to be given effect to in respect of the claims made by the company, amount awarded so far in this respect and required disclosures/ adjustments in terms of Ind AS with respect to the carrying amounts of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account and carried forward pending determination of the amount of claim in this respect due to the reasons stated therein.

Sub Para (b): Note No.4(a) in respect of company's investment in the equity shares of ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Kolkata and the matter is currently pending before the said court. Also, Note no. 4(b) dealing with mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the said land was taken by the said party. The matter has been disputed by the company and as stated in the said note is currently pending before DRAT and Hon'ble Madras High Court.

Sub Para (c): Pending finalization of the matters dealt with in Sub Para (a) and Sub Para (b) above, impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

**b. Type of Audit Qualification: Qualified Opinion / Disclaimer-of-Opinion / Adverse-Opinion**



- c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 3 since financial year 2014-15 and Note no. 4 since financial year 2017-18.
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** N.A
- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
- (i) **Management's estimation on the impact of audit qualification:** N.A
- (ii) **If management is unable to estimate the impact, reasons for the same:**

Sub Para (a) - In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India ('the Order') followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice ('legislative department') dated October 21, 2014 ('Ordinance') for implementing the Order, allotment of Parbatpur coal block ('coal block'/ 'mines') to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said coal block till March 31, 2015. Accordingly, the said coal block had been handed over to Bharat Coking Coal Limited ('BCL') as per the direction from Coal India Limited ('CIL') with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited ('SAIL') and pending final determination, compensation of Rs. 8312.14 lakhs was received. The company also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly, based on the said judgement, the Company has so far claimed Rs.154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. The Nominated Authority appointed for deciding the amount of compensation had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the same. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority ('New Nominated Authority') had appointed a valuer to determine the value of those specified assets as per the direction of the Nominated Authority dated November 11, 2019. The company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority. Moreover, the company had also earlier approached the New Nominated Authority/ Ministry of Coal ('Ministry') to reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets and the final compensation is yet to be decided.

In the meantime, JSW Steel Limited ('JSW') had been declared as successful bidder for Parbatpur Coal Block in "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and vesting order dated June 08, 2023 was issued by the Ministry of Coal in favour of JSW. JSW as being claimed by them took over the physical possession of said coal block and has therefore requested to initiate negotiations for utilization of movable property/ assets used in coal mining. Pending determination of the amount of claim, the Company has approached Hon'ble Delhi High Court and the matter is pending as on this date. The company's management is actively pursuing to revise and determine the amount of entire compensation for the coal block including mine infrastructure, land and all other related assets in terms of Coal Mines (Special Provisions) Act, 2015 read with judgement dated March 09, 2017 pronounced by the Hon'ble High Court of Delhi and is taking all the necessary legal and other steps for the same.

Pending finalisation of the matter as above;



- (i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;
- (ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs have been considered as other recoverable under current assets; and
- (iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations / claims against sale of assets, advances, input credits etc. amounting to Rs. 2090.04 lakhs have been adjusted. Bank guarantee amounting to Rs. 920.00 lakhs has been given against the compensation received.

Necessary disclosures and adjustments arising with respect to above and determination of resultant claim will be given effect to on final acceptance/settlement of the amount thereof.

Sub Pars (b) - In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by ESL Steel Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the Company during the quarter ended June 30, 2018. To comply with the requirements of Ind AS 109 "Financial Instruments", the Company had fair valued the investment in ESL and a sum of Rs. 57868.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss in the quarter ended June 30, 2018. Further in terms of the approved resolution plan, advances and trade receivable amounting to Rs. 21121.70 lakhs receivable from ESL was written off during the quarter ended September 2018 shown as exceptional item in the statement of Profit and Loss.

The Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. During the year, the company has fair valued the equity share of ESL and a loss of Rs. 1037.31 lakhs has been accounted for under other comprehensive income.

Investment in ESL include 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 4311.21 lakhs as on March 31, 2025 which were pledged with the consortium of lenders of ESL (lenders) and the said pledge was not released by the lenders even after the settlement of their debt as per the approved resolution plan as above. The notices issued by the lenders for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the company's plea for release of such pledge is pending before the said Hon'ble High Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs of the company, situated at Elavur, Tamil Nadu, were mortgaged to another lender SREI Infrastructure Finance Limited ("SREI") of ESL and SREI had subsequently assigned it's right in the said property to an Asset Reconstruction Company ("ARC") although the claims of the said lender were fully discharged by ESL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal ("NCLT"), Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land. The Company had disputed the alleged assignment of the loan by the lender and as directed by the Hon'ble Supreme Court had filed an application before the Debt Recovery Tribunal ("DRT"), Chennai for setting aside the SARAFESI actions and release of the title deeds of the land which vide order dated April 08, 2022 (uploaded on April 27, 2022) had been dismissed by DRT. On filing the appeal before the Debt Recovery Appellate Tribunal ("DRAT") against the order of DRT, DRAT has directed the Company to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs against which revision application under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution has been filed before Hon'ble Madras High Court and the matter is pending before the said court.



Earlier, the ARC had also filed an application before the Hon'ble NCLT, Cuttack for initiation of Corporate Insolvency and Resolution Process ("CIRP") against the Company which had been decided in the favour of the Company vide NCLT order dated June 24, 2022 ("the Order"). The said order on being challenged by ARC has been upheld by Hon'ble National Company Law Tribunal ("NCLAT") vide its order dated January 24, 2024 and thereby the order dismissing the application of ARC by NCLT as above stands valid and effective. The judgement of NCLAT has been challenged before Hon'ble Supreme Court of India which is yet to be decided by the said court.

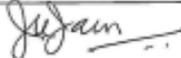
Pending finalization of the matter, these assets have been carried forward at their book value.

(ii) **Auditors' Comments on (i) or (ii) above:**

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained and as such cannot be commented upon by us.

III.

**Signatories:**

CEO/Managing Director	 <b>Sunil Katiel</b> (Wholetime Director and Group Chief Executive Officer) 
CFO	 <b>Ashutosh Agarwal</b> (Wholetime Director and Chief Financial Officer)
Audit Committee Chairman	 <b>Jinendra Kumar Jain</b> (Audit Committee Chairman)
Statutory Auditor	For Lodha & Co LLP Chartered Accountants Firm's Registration No: 301051E / E300284  <b>R. P. Singh</b> (Partner) Membership No: 052438 

Place: Kolkata

Date: May 10, 2025