

**INDEPENDENT AUDITORS' REPORT****The Members of ESL Steel Limited (Formerly Electrosteel Steels Limited)****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of ESL Steel Limited ("the Company"), which comprise the balance sheet as at March 31, 2026, and the statement of Profit and Loss (including other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other notes for the year ended on that date (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note no. 45 of the financial Statement indicating that approval for Consent to Operate (CTO) and Environmental Clearance (EC) is pending before Ministry of Environment, Forest and Climate Change (MoEF) and financial constraints currently being faced by the company as stated in the said note. However, considering the direction of Hon'ble Supreme Court of India and High Court of Jharkhand allowing the continuation of the operation of the company, and financial and other support being provided by the Holding Company and steps so far taken and those being taken by the company for obtaining CTO, the financial statements of the company due to the reasons stated in the said note have been prepared on going concern basis, though the uncertainty on the Company's ability to continue as such exists as on this date. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report:



Key Audit Matters	Addressing the key audit matters
<p><b>Impairment of Property, Plant and Equipment (PPE), Capital Work in Progress (CWIP) and Intangible Assets (as described in note 5.4 and 6 of the financial statements)</b></p>	
<p>Evaluation of the impairment involves assessment of value in use of the Cash Generating Units (CGUs) and requires significant judgements and assumptions including those concerning forecast for cash flows, production, volume of operations, selling prices of the product and discount rate considered for arriving at the present value of future cash flows.</p> <p>The above includes the evaluation of plant and equipment pertaining to expansion project undertaken in earlier years and its prospects for implementation in near future.</p> <p>The key judgements and estimates for impairment relates to future cashflows, present value assumptions, price and production, forecasts requiring substantial amount of the subjectivity and sensitivity having substantial impact on the financial statements.</p> <p>Impairment testing of PPE, CWIP and Intangible assets were carried out during the year ended March 31, 2018 and provision of Rs. 5,11,193.01 lakhs were made. No further provision or reversal thereof has been considered necessary during this year.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of Impairment includes the following:</p> <ul style="list-style-type: none"> <li>• Critical evaluation of internal and external factors impacting the entity's performance and indicators of impairment (or reversal thereof) in line with Ind AS 38;</li> <li>• Analysing the management's review, contention and representation regarding the project in progress and adjustments needed against carrying value of the assets. This includes, reviewing the status of plant and equipment so far procured currently under progress and being a technical matter placing reliance on management contention and technical advice in this respect;</li> <li>• Reviewing the valuation report by independent professional appointed by the company for arriving at value in use, assumptions and projections considered for such valuation for broad consistency and necessary updation thereof based on current indicators, prevailing situation and this being a technical matter, reliance has been placed on management's contention, representation and the valuation report by experts;</li> <li>• Review of impairment covering the entire block of tangible and intangible assets and capital work in progress and valuation models used to determine the recoverable amount by analysing the key assumptions used by management in this respect including: <ul style="list-style-type: none"> <li>- Consistency with respect to forecast for arriving at the valuation and assessing the potential impact of any variances;</li> <li>- Price assumptions used in the models; and</li> <li>- The assumption/estimation for the weighted average cost of capital and rate of discount for arriving at the value in use.</li> </ul> </li> <li>• Review of projections at current capacity and volume of operations and projected outcome thereagainst and impact thereof on overall impairment assessment;</li> <li>• Placing reliance on the management's assumption for future prospects, expansion of current capacity, expected volume of business and sustainability of the cash flows; and</li> </ul>



Key Audit Matters	Addressing the key audit matters
	<ul style="list-style-type: none"> <li>Evaluated the disclosure made and decision arrived at by the management with respect to the requirement for impairment testing and recognition/reversal thereof.</li> </ul>
<b>Recognition of Deferred Tax Assets (as described in note 49 of the financial statements)</b>	
<p>Deferred tax assets amounting to Rs. 1,75,578.23 lakhs basically attributable to depreciation recognised in earlier year have been carried forward in the financial statements as at March 31, 2026.</p> <p>Deferred Tax Assets of Rs. 52,949.80 lakhs created in earlier year on depreciation losses considering the expected utilisation thereof against taxable income for subsequent years have been reversed during the year.</p> <p>Deferred Tax Assets to the extent of 1,50,052.05 lakhs (including Rs. 21,406.02 lakhs for the year) on account of carried forward business losses and depreciation following the principle of conservatism has not been recognised.</p> <p>The analysis of deferred tax assets has been identified as Key Audit Matter because this involves a significant amount and recognition/non-recognition are based on the judgements regarding future profitability and utilisation of the unabsorbed losses and depreciation are based against projections thereof pertaining to future period which is inherently uncertain.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of recognition of Deferred Tax includes the following:</p> <ul style="list-style-type: none"> <li>Utilisation of Deferred tax assets have been tested based on internal forecasts prepared by the Company and probability of future taxable income;</li> <li>We critically examined the temporary differences between the carrying amounts of balances of assets and liabilities as per Ind AS financial statement and those considered for tax purposes;</li> <li>Reversal of deferred tax liability due to timing differences and possible adjustments of deferred tax assets there against;</li> <li>Critical review of the future projections and underlying assumptions for broad consistency following the principle of prudence for arriving at reasonable degree of probability on assertions thereof considering the past trends;</li> <li>Review of management's assumption with respect to earning over next 10 years and taxability thereof and placing reliance on such assumptions and projections given the current and future scale of operations taking into account prevailing and expected conditions and situations; and</li> <li>Evaluated the disclosure made by the management and adequacy thereof as required in this respect.</li> </ul>
<b>Evaluation of Accounting of Iron Ore Mines (as described in note 4(f) of the financial statements)</b>	
<p>Recognition of Mining rights and Assets, stripping activity assets and generation thereagainst, production profile, stripping ratio, and proved/ probable reserves, categorization of Mines as exploratory, under development, producing, estimation of liability for decommissioning costs are based on Technical/ commercial evaluation by the management.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of disclosure includes the following:</p> <ul style="list-style-type: none"> <li>Review of the Production Profile and related overburden as submitted by the management to the authorities and raising as obtained out of the mining operation;</li> </ul>



Key Audit Matters	Addressing the key audit matters
	<ul style="list-style-type: none"> <li>• Examined the valuation process, methodology and checks being performed for arriving at the cost of Iron Ore produce and related levies and premium to ensure that the valuation of inventory are as per the policy prescribed in this respect;</li> <li>• Reviewed the Approved Mining Plan in respect of the cost to be incurred for Final Mine Closure Plan and mine restoration.</li> <li>• Evaluated the approach adopted by the management in determining the expected costs of decommissioning including appropriateness of discount and inflation rates for estimating such cost and determining the expected outflow and placing reliance on the independent technical consultant in this respect;</li> <li>• Assessed the appropriateness of the disclosures made in the financial statements; and</li> <li>• Reliance has been placed on the report of independent technical consultant for proved/probable reserves in the mines and judgments and estimation of the internal/ external experts for the purpose of technical /commercial evaluation and also submission made to authorities in this respect.</li> </ul>
<b>Non-Renewal of Consent to Operate from JSPCB (as described in note 45 of the financial statements)</b>	
<p>The Company's application for renewal of Consent to Operate ('CTO') was denied by Jharkhand State Pollution Control Board ('JSPCB'). Further Environmental Clearance has also not been granted by Ministry of Environment and Forest (MoEF).</p> <p>MoEF vide its letter dated February 02, 2022 had deferred the grant of EC till Forest Clearance (FC) Stage-II is granted to the company. In the meantime, MoEF vide its letter dated June 05, 2023 had also revoked the stage I Forest clearance granted earlier and thereby representations have been made by the company as well as by the State Government for reconsideration of revocation as substantial progress has been made in identification and procurement of land to be handed over for FC.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of "Going Concern" include the following:</p> <ul style="list-style-type: none"> <li>• Obtained the status of the case from the legal department and their views on the matter;</li> <li>• Evaluated the steps being taken by management for ensuring the related compliances including those relating to procurement of land for compensatory afforestation and/or other costs thereof to be provided by the company and plans for future course of actions for obtaining Clearances as required for obtaining the environment clearance from MoEF;</li> <li>• Reviewed the appropriateness of provision for cost of land made for afforestation and other costs to be incurred based on the report received from EIA consultant after considering the various concerns raised during the public hearing on the matter and disclosures made in this respect by the management;</li> </ul>



Key Audit Matters	Addressing the key audit matters
<p>Further, on a petition filed against the revocation of EC as stated above, Hon'ble High Court of Jharkhand while considering the fact that modalities are being worked out between the State government, MoEF and the company has set aside the revocation of EC on the ground of natural justice and remanded the matter back to MoEF for the fresh hearing within a specified period on the show cause notice issued earlier by them in connection thereof and directed that the company can continue with its operation subject to final decision of MoEF, under the supervision of JPSCB. MoEF pursuant to the order of Hon'ble High Court of Jharkhand as stated above has completed it's hearing and based on the recommendation of Forest Advisory Committee, MoEF has since granted In-principle approval of FC Stage I to the Company. On receipt of FC and EC, application for obtaining Consent to Establish (CTE) and then Consent to Operate (CTO) will be made by the company.</p> <p>Also, policy with respect to penalty for CA land in case of violation has been issued by MoEF on January 21, 2026, implication of which in case of the company is being examined since the same deals with non-compliance after December 12, 1996.</p> <p>Pending decision of MoEF on the mater, Hon'ble Supreme Court of India and High Court of Jharkhand has directed that operation of steel plant shall not be interfered with on the ground of want of EC, FC, CTE or CTO.</p> <p>Pending completion of the entire process and determination of the aggregate cost, Rs. 26,313.23 lakhs (net of Rs. 32,948.74 lakhs paid) towards cost of land and Rs. 20,556.58 lakhs towards other related costs etc. (net of Rs. 1,473.99 lakhs paid) as provided for on estimated basis in earlier years has been carried forward as on March 31, 2026. Differential amount and/or adjustments in this respect will be given effect to on determination thereof.</p>	<ul style="list-style-type: none"> <li>• Status with respect to revised application filed with respect to renewal of CTO along with review of minutes of various meetings held and outcome published in Parivesh Portal;</li> <li>• Reliance has been placed on the estimate and consultant report for cost of land and other costs to be incurred for compensatory afforestation against forest land; and</li> <li>• Further, reliance has also been placed on the legal expert's view vis-à-vis direction of Hon'ble Supreme court of India concerning the operation of the plant and recommendations and report submitted in this respect pending final decision on the matter.</li> </ul>



Key Audit Matters	Addressing the key audit matters
The amount of provision being significant and based on estimate and grant of CTO being critical to the operations of the company these have been considered to be Key Audit Matter for the purpose of audit and reporting thereupon by us.	

**Information Other than the Financial Statements and Auditors’ Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditors’ report thereon. The other information as stated above is expected to be made available to us after the date of this Auditors’ Report.

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

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

**Responsibilities of the Management and those charged with governance for the Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditors’ Responsibility for the Audit of the Financial Statements**

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



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:



- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements in place and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to financial statements.
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 41(A) and (B) to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note no. 47(d) to the financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on the audit procedures and generally accepted auditing practices followed in terms of SAs that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;



- v. The company has not declared any dividend during the year thereby reporting under Section 143(11)(f) is not applicable for the company.
- vi. Based on the verification carried out by an Independent professional appointed for the purpose and our examination of the data and details provided to us, which included test checks and samples obtained by us in this respect and being a technical matter placing reliance on the report submitted by them, we report that the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same was operational throughout the year. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the said audit trail has been preserved by the Company as per the statutory requirements for record retention.
4. With respect to the reporting under section 197(16) of the Act to be included in the Auditors' Report, In our opinion and according to the information and explanations given to us, the remuneration paid to the Whole time Director and sitting fees paid to other Directors are in accordance with the provisions of Section 197 of the Act and are not in excess of the limit laid down therein. However, as stated in Note no. 36.4 regarding commission to be paid to Directors as approved by the Board of Directors is subject to shareholder's approval in the ensuing Annual General Meeting.

Place: Kolkata  
Date: April 18, 2026



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

  
Ajit Kumar Dalmia  
Partner

Membership No: 067236  
UDIN: 26067236NGQYLL4758

**ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE:**

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

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of Property, Plant and Equipment and Intangible Assets except for Insurable Spares capitalized with main assets, Pipe Moulds, Furniture, Fixture and Office Equipment's.
- b. The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to this program, a comprehensive and detailed verification of Property, plant and Equipment and Capital Work in Progress has been carried out during the previous year by engaging the services of an Independent firm of professional. Accordingly, no such verification has been carried out during the year. The discrepancies noted on such verification were not material and had been properly dealt with in the books of account.
- c. According to the information and explanations given to us, the records examined by us and based on the title documents, records, confirmation from Security Trustees provided to us, we report that, the title deeds, comprising of all the immovable properties of land and building are held in the name of the Company as on the balance sheet date except certain land for which lease deeds are yet to be executed as detailed below: (Refer Note no. 5.3 of the financial statements).

Particulars	(Amount Rs. In Lakhs)	
	Area	Gross Block
Land- Pending execution of Lease Deed	325.19 acres	11,568.24
Land- Pending compliance of compensatory afforestation*	455.35 acres	65,873.66

\*Amount includes estimated cost for land towards compensatory afforestation capitalized as Right of Use (ROU) Assets, pending clearance from MoEF.

As stated in Note no. 5.6, the title deed with respect to above land are to be regularised after obtaining necessary approvals from the authorities and charge holders.

- d. The company is not following revaluation model of accounting and accordingly has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets during the year. Accordingly, the reporting under Clause 3 (i)(d) of the Order is not applicable to the Company.
- e. As per the information and explanation given to us and as represented by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, further reporting under Clause 3 (i)(e) of the Order is not applicable to the Company.



- ii) a. As informed, the inventories of the Company except for materials in transit and stock lying with third parties at year end have been physically verified by the independent firm of professionals along with the management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable, and procedure followed for such verification is appropriate. As the Company's inventory of raw materials comprises mostly of bulk materials such as coal, coke, iron ore, etc. requiring technical expertise for quantification, the Company has hired an independent agency for the physical verification of the stock of these materials. The discrepancies noticed on physical verification between the physical stock and book stock of inventories to the extent verified during the year, were not 10% or more in aggregate for each class of inventory and the same have been properly dealt with in the books of account.
- b. According to the information and explanation given to us the company has been sanctioned working capital limit in excess of Rupees Five Crores on the basis of securities of Current Assets of the company. On the basis of examination of returns/statements submitted as provided to us for the purpose, these were in agreement with the books and records and the financial statements prepared therefrom by the management.
- iii) According to the information and explanation given to us and based on the documents examined, the company has made investments in market driven mutual funds during the year. However, the company has neither provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, firms, limited liability partnerships and any other parties during the year. Accordingly, reporting under Clause 3(iii)(a) and (c) to (f) of the Order is not applicable to the Company.
- a. In our opinion and according to the information and explanation given to us, Investments made by the company are market driven mutual funds at prevailing prices or otherwise being market driven at applicable rates and terms and conditions and therefore are not prejudicial to the interest of the company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2026 from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder and therefore, the provisions of clause 3(v) of the Order is not applicable to the company.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Goods and Service Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable to it. Further, excepting Rs. 5.65 lakhs for Provident Fund under Employees' Provident Funds And Miscellaneous Provisions Act, 1952 there were no undisputed amounts payable in respect of these statutory dues in arrear as at March 31, 2026 for a period of more than six months from the date they become payable.



- b. Disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and Cess, if any, prior to the effective date i.e., June 04, 2018 stand extinguished in terms of the resolution plan approved by Hon'ble NCLT. This is supported by the legal opinion taken by the company and various judicial pronouncements on the said matter. Having regard to this, there are no dues of Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, which have not been deposited on account of any dispute except as detailed below:

Name of the Statute	Nature of Dues	Amount (Rs. lakhs) in	Period to which amount relates	Forum where dispute is pending
Goods and Service Tax Act 2017	GST	54,62.00	2018-19 to 2022-23	High Court of Ranchi
		7.00	2018-19 and 2019-20	Appellate Authority

- viii) In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) a. In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- b. According to the information, explanations and representation given to us by the management, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and on the basis of information and explanations given to us by the management, the term loan taken during the year were applied for the purpose for which the loans were obtained.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has used funds raised on short-term basis aggregating to Rs. 2,37,083.55 lakhs for long-term purposes.
- e. In our opinion and on the basis of examination of the books of records the company does not have any subsidiaries, associates or joint ventures and hence, reporting under clause 3(ix)(e) and (f) of the Order is not applicable.
- x) a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (x)(b) of the Order is not applicable to the Company.
- xi) a. During the course of our examination of books of account carried out during the year in accordance with generally accepted auditing practices in India, we have neither come across incidence of any material fraud by or on the company nor have we been informed of any such case by the management.



- b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and representation received from the management, no report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 has been filed with the Central Government.
- c. As represented to us by the management and as far as ascertained from examination of books of accounts and records maintained in accordance with generally accepted auditing practices in India, we have taken into consideration the whistle blower complaints received by the company during the year and those considered relevant and material have been taken into account while determining the nature, timing and extent of audit procedures.
- xii) The Company is not a Nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial statements as required by the applicable accounting standards.
- xiv) a. The Internal audit of the Company has been carried out by a firm of Chartered Accountants. The system followed, in our opinion, is generally commensurate with the size and nature of its business.
- b. Further, the reports of the internal auditor for the period under audit, issued to the Company during the year and till the date of our audit, have been considered by us for determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable to the company.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid certificate of registration as required under Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.
- d. In our opinion and based on the representation received by us from the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable to the company.



- xvii) On the basis of overall examination of the financial statement, the Company has incurred cash losses of Rs. 70,522.71 lakhs during the financial year covered by our audit but has not incurred cash losses in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors of the Company during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.
- xix) On the basis of the financial ratios, ageing and expected period of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors, plans of the company's management and the support as provide by the holding company including as stated in Note no. 47(f)(b) and based on our examination of the evidences supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts and assumptions as represented to us up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due for payment.
- xx) The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi) The company does not have any subsidiary/associate hence consolidated financial statements are not applicable to the company and thereby reporting under clause 3(xxi) of the Order is not applicable

Place: Kolkata  
Date: April 18, 2026



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

  
Ajit Kumar Dalmia  
Partner  
Membership No: 067236  
UDIN: 26067236NGQYLL4758

**ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**  
(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report the Members of ESL Steel Limited of even date)

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to financial statements of ESL Steel Limited (“the Company”) as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated under the Committee of Sponsoring Organisations of the Treadway Commission (2013 framework) (“COSO 2013”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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


### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in COSO 2013.

Place: Kolkata  
Date: April 18, 2026



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

  
Ajit Kumar Dalmia  
Partner

Membership No: 067236  
UDIN: 26067236NGQYLL4758

ESL STEEL LIMITED  
CIN: U27310JH2006PLC012663  
BALANCE SHEET AS AT MARCH 31, 2026

Particulars	Note No.	(Rs. in lakhs)	
		As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	5	4,34,883.69	4,24,867.90
(b) Capital work-in-progress	6	2,58,838.77	2,23,198.98
(c) Other Intangible Assets	7	39,086.71	37,675.40
(d) Financial Assets:			
(i) Other Financial Assets	8	9,051.54	9,311.33
(e) Non Current Tax Assets (net)	9	8,009.82	2,730.96
(f) Deferred Tax Assets (net)	49	1,75,578.23	2,28,400.55
(g) Other Non-Current Assets	10	5,971.40	4,986.34
<b>Total Non-Current Assets</b>		<b>9,41,420.16</b>	<b>9,31,171.46</b>
<b>Current assets</b>			
(a) Inventories		84,670.58	99,680.02
(b) Financial Assets:	11		
(i) Investments	12	18,101.93	2,101.95
(ii) Trade Receivables	13	5,313.39	9,455.81
(iii) Cash and Cash Equivalents	14	7,284.05	5,888.95
(iv) Bank Balances other than (iii) above	15	12,474.85	16,535.94
(v) Other Financial Assets	16	166.37	2,065.35
(c) Other Current Assets	17	27,520.18	22,892.51
<b>Total Current Assets</b>		<b>1,55,531.35</b>	<b>1,58,020.53</b>
<b>TOTAL ASSETS</b>		<b>10,96,951.51</b>	<b>10,89,791.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	18	1,84,903.02	1,84,903.02
(b) Other Equity	19	1,31,118.09	2,45,181.98
<b>Total Equity</b>		<b>3,16,021.11</b>	<b>4,33,095.00</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities:			
(i) Borrowings	20	1,57,990.33	1,09,345.47
(ii) Lease Liabilities	40	37,740.22	2,370.91
(iii) Other Financial Liabilities	21	4,264.67	
(b) Provisions	22	28,894.83	22,782.06
<b>Total Non-Current Liabilities</b>		<b>2,28,890.05</b>	<b>1,34,498.44</b>
<b>Current liabilities</b>			
(a) Financial Liabilities:			
(i) Borrowings	23	1,54,452.36	1,08,467.21
(ii) Lease Liabilities	40	38,612.87	30,336.51
(iii) Operational Buyers' Credit / Suppliers' Credit	46	88,390.35	79,259.88
(iv) Trade Payables	24		
- Dues of micro and small enterprises		10,181.12	9,867.63
- Dues other than micro and small enterprises		63,429.64	69,033.74
(v) Other Financial Liabilities	25	87,890.14	1,30,655.66
(b) Other Current Liabilities	26	1,02,139.11	94,406.61
(c) Provisions	27	7,444.96	171.31
<b>Total Current Liabilities</b>		<b>5,52,040.35</b>	<b>5,22,198.55</b>
<b>Total Liabilities</b>		<b>7,80,930.40</b>	<b>6,66,696.99</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,96,951.51</b>	<b>10,89,791.99</b>

Material accounting policies and other accompanying notes (1 to 53) form an integral part of the financial statements  
As per our report of even date

For Lodha & Co LLP  
Chartered Accountants

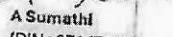


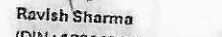
Ajit Kumar Dalmia  
Partner

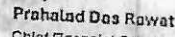
Place: Kolkata  
Dated: Apr 18, 2026

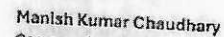


For and on behalf of the Board of Directors

  
A Sumathi  
(DIN : 07147100)  
Non Executive Director

  
Ravish Sharma  
(DIN : 10914990)  
Whole time Director and CEO

  
Prahalad Das Rowat  
Chief Financial Officer

  
Manish Kumar Chaudhary  
Company Secretary  
M.No. ACS 23037

ESL STEEL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

Particulars	Note No.	(Rs. in lakhs)	
		Year ended March 31, 2026	Year ended March 31, 2025
Revenue from Operations			
Sale of Products			
Other Operating Income	28	7,30,354.87	7,92,763.92
<b>Total Revenue from Operations</b>	29	<b>17,162.70</b>	<b>21,943.77</b>
Other Income		7,47,517.57	8,14,707.69
<b>Total Income</b>	30	<b>5,518.36</b>	<b>13,502.82</b>
<b>Expenses</b>		<b>7,53,035.93</b>	<b>8,28,210.51</b>
Cost of Materials Consumed	31	3,96,983.59	4,17,963.02
Changes in Inventories of Finished, Process Stock and Stock-in-Trade	32	18,406.32	4,231.25
Employee Benefits Expense	33	23,532.86	22,583.81
Finance Costs	34	36,093.32	42,453.42
Depreciation and Amortisation Expense	35	44,422.92	44,387.50
Other Expenses	36	2,91,941.57	3,28,431.89
<b>Total Expenses</b>		<b>8,11,380.58</b>	<b>8,60,050.89</b>
Profit/ (Loss) before exceptional items and tax		(58,344.65)	(31,840.38)
Exceptional Items		(5,542.09)	
Profit/ (loss) before tax	37	(63,886.74)	(31,840.38)
Tax expense:			
(1) Current tax	49		
(2) Deferred Tax			
Profit/ (loss) for the year		52,949.81	(5,221.07)
Other Comprehensive Income:		(1,16,836.55)	(26,619.31)
(i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss	38	(364.83)	(236.80)
Other Comprehensive Income (net of taxes)	49	127.49	82.75
		(237.34)	(154.05)
<b>Total Comprehensive Income for the year (comprising of Profit/(Loss) and Other Comprehensive Income for the year)</b>		<b>(1,17,073.89)</b>	<b>(26,773.36)</b>
Earning per Equity Share [Face value of Rs. 10 each]:	43		
Basic and Diluted		(6.32)	(1.44)

Material accounting policies and other accompanying notes (1 to 53) form an integral part of the financial statements

As per our report of even date

For Lodha & Co LLP  
Chartered Accountants



Ajit Kumar Dalmia  
Partner



Place: Kolkata  
Dated: Apr 18, 2026

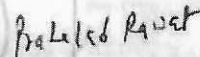
For and on behalf of the Board of Directors



A Sumathi  
(DIN : 07147100)  
Non-Executive Director



Ravish Sharma  
(DIN : 10914990)  
Whole time Director and CEO



Prahalad Das Rawat  
Chief Financial Officer



Manish Kumar Chaudhary  
Company Secretary  
M.No. ACS 23037

**ESL STEEL LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026**

Particulars	(Rs. in lakhs)	
	Year Ended March 31, 2026	Year Ended March 31, 2025
<b>A. Cash flow from Operating Activities</b>		
Profit/(Loss) before tax		
Adjustment to reconcile Profit/(Loss) before tax to net cash generated from operating activities	(63,886.74)	(31,840.38)
Depreciation and amortization expenses		
Loss/(profit) on sale/discard of fixed assets	44,422.92	44,387.50
Exceptional items (Net)	443.94	2,293.36
Sundry Credit balances/Provision no longer required written back	(5,542.09)	
Profit on Sale as per Finance Lease	(2,992.72)	(8,017.53)
Sundry Balances written-off		(8,763.99)
Unrealised (gain)/ Loss on foreign currency translation and transaction (net)	659.64	2,165.48
Net gain/(loss) on Derivative Instruments on fair valuation through profit and loss	(1,306.32)	106.55
Interest Income	293.48	(265.95)
Net Gain/(Loss) on Current Investments on Fair Valuation through profit and loss	(2,163.82)	(2,935.40)
Net Gain on Financial Liabilities not at Fair Value through Profit and Loss	(182.48)	(66.84)
Impairment Allowance for doubtful debts, Advances and deposits	(1,068.13)	
Finance Cost	88.83	511.45
Operating profit before Working Capital Changes	36,093.32	42,453.42
Movements in working capital :	4,659.83	40,027.67
Decrease/(Increase) in Inventories		
(Decrease)/Increase in Trade Payables, Other financial/Non-Financial liabilities and Provisions	15,009.44	5,921.82
Decrease/(Increase) in Trade Receivables	(35,851.39)	60,487.13
Decrease/(increase) in loans and advances, Other financial/non-financial assets and other assets	49,487.64	(19,581.39)
Cash generated from / (used in) operations	(3,188.05)	2,055.58
Income taxes (paid)/refund (net)	29,317.47	88,910.81
<b>Net Cash flow generated / (used in) Operating Activities (A)</b>	<b>24,038.61</b>	<b>(551.51)</b>
		<b>88,359.30</b>
<b>B. Cash flow from Investing Activities</b>		
Payment against Property, Plant and Equipments including intangible assets and movement in Capital Work in Progress	(25,051.84)	(57,477.55)
Realisation against Property, Plant and Equipments	7.78	20,016.83
Movement in Fixed Deposits (having original maturity of more than three months)	4,352.81	(5,069.47)
Investment in mutual funds	(48,667.64)	(45,797.71)
Proceeds against redemption of mutual funds	32,850.14	45,764.10
Interest received	2,153.57	2,831.71
<b>Net Cash flow generated / (used in) Investing Activities (B)</b>	<b>(34,350.18)</b>	<b>(39,732.09)</b>
<b>Cash flow from Financing Activities</b>		
Repayment of long-term borrowings	(57,563.20)	(46,041.60)
Receipt against long-term borrowings	1,00,430.14	12,423.00
Proceeds/(Repayment) from short-term borrowings (net)	10,077.73	21,784.55
Payment against Lease Liabilities	(4,497.35)	(6,400.36)
Interest and other borrowing cost paid	(36,740.65)	(40,454.65)
<b>Net Cash flow generated / (used in) Financing Activities (C)</b>	<b>11,708.67</b>	<b>(58,689.06)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,395.10</b>	<b>(10,061.85)</b>
Cash and cash equivalents at the beginning of the year	5,888.95	15,950.80
<b>Cash and cash equivalents at the end of the year (Refer Note no. 14)</b>	<b>7,284.05</b>	<b>5,888.95</b>



*Manish Chandra*

*[Signature]*



*Pranjal K Das*

**ESL STEEL LIMITED**  
**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026**

Notes

(Rs. in lakhs)

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

2. Ind AS 7 Cash flow statements requires the entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes, opening and closing balances in liabilities arising from financing activities and changes in this respect are as follows:

Particulars	As at		Non-Cash Flows**	As at
	March 31, 2025	Cash flows*		
Non-current borrowings [Refer Note no. 20]	1,09,345.47	1,00,430.14	(51,785.28)	1,57,990.33
Current maturities of long term debt [Refer Note no. 23]	52,291.60	(57,563.20)	93,470.62	88,199.02
Short Term Borrowings [Refer Note no. 23]	56,175.61	10,077.73	-	68,253.34
Lease Liabilities [Refer Note no. 40]	32,707.42	(4,497.35)	48,142.82	75,352.89
Interest accrued but not due on borrowings [Refer Note no. 25]	14,078.41	(6,001.58)	9,766.71	17,843.54

\*Includes cash flows on account of both principal and interest.

\*\* Non-cash flow changes includes current/non current classification, foreign exchange movement, amortised cost and other adjustments.

3. Cash flow from Supplier Financing Arrangement are as follows:

Particulars	As at		Non-Cash Flows**	As at
	March 31, 2025	Cash flows		
Operational Buyers' Credit / Suppliers' Credit [Refer Note no. 46]	79,259.88	9,106.14	24.33	88,390.35

4. Cash and cash equivalents consists of the following for the purpose of the Cash Flow Statement:

Particulars	As at	
	March 31, 2026	March 31, 2025
Balances with Banks		
In Current Accounts	6,185.70	2,844.09
Fixed Deposits with original maturity of less than 3 months	1,098.35	3,044.86
<b>Total cash and cash equivalents (Refer Note No. 14)</b>	<b>7,284.05</b>	<b>5,888.95</b>

Material accounting policies and other accompanying notes (1 to 53) form an integral part of the financial statements

As per our report of even date

For Lodha & Co LLP  
Chartered Accountants

Ajit Kumar Dalmia  
Partner



Place: Kolkata  
Dated: Apr 18, 2026

For and on behalf of the Board of Directors

A Sumathi  
(DIN : 07147100)

Non-Executive Director

Ravish Sharma  
(DIN : 10914990)

Whole time Director and CEO

Prahalad Das Rawat

Chief Financial Officer

Manish Kumar Chaudhary  
M.No. ACS 23037

Company Secretary

ESL STEEL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

A. EQUITY SHARE CAPITAL

Particulars	Amount
As at March 31, 2024	1,84,903.02
Changes during the year	-
As at March 31, 2025	1,84,903.02
Changes during the year	-
As at March 31, 2026	1,84,903.02

B. OTHER EQUITY

As at March 31, 2026

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Reserves and Surplus		Other Comprehensive Income		Total
			Securities premium	Retained earnings	Re-measurement of defined benefit plan		
As at March 31, 2025	9,59,908.68	(1,74,593.58)	1,79,036.44	(7,16,159.56)	-	-	2,48,191.98
Profit/(Loss) for the year	-	-	-	(1,16,836.55)	-	-	(1,16,836.55)
Other Comprehensive Income for the year	-	-	-	-	(237.34)	(237.34)	(237.34)
Total comprehensive Income for the year	-	-	-	(1,16,836.55)	(237.34)	(237.34)	(1,17,073.89)
Transfer to Retained Earning	-	-	-	(237.34)	237.34	-	-
As at March 31, 2026	9,59,908.68	(1,74,593.58)	1,79,036.44	(8,33,233.45)	-	-	1,31,116.09

As at March 31, 2025

Particulars	Capital Reserve	Capital Reserve on Amalgamation	Reserves and Surplus		Other Comprehensive Income		Total
			Securities premium	Retained earnings	Re-measurement of defined benefit plan		
As at March 31, 2024	9,59,908.68	(1,74,593.58)	1,79,036.44	(6,89,386.20)	-	-	2,74,865.34
Profit/(Loss) for the year	-	-	-	(26,619.31)	-	-	(26,619.31)
Other Comprehensive Income for the year	-	-	-	-	(154.05)	(154.05)	(154.05)
Total comprehensive Income for the year	-	-	-	(26,619.31)	(154.05)	(154.05)	(26,773.36)
Transfer to Retained Earning	-	-	-	(154.05)	154.05	-	-
As at March 31, 2025	9,59,908.68	(1,74,593.58)	1,79,036.44	(7,16,159.56)	-	-	2,48,191.98

Refer Note no. 19 for nature and purpose of reserves

Material accounting policies and other accompanying notes (1 to 53) form an integral part of the financial statements

As per our report of even date

For Lodha & Co LLP  
Chartered Accountants

Ajit Kumar Dainija  
Partner



Place: Kolkata  
Dated: Apr 18, 2026

A Sumathi  
(DIN : 07147100)  
Non-Executive Director

Priyanka Das Rawat  
Chief Financial Officer



Ravish Sharma  
(DIN : 10914990)  
Whole time Director and CEO

Manish Kumar Chaudhary  
Company Secretary  
M.No. ACS 23037

Sensitivity: Confidential (C2)

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

**1 CORPORATE INFORMATION**

ESL Steel Limited ("ESL" or "the Company") is a public limited company in India having its registered office at, Siyaji, P.O. Jogdih, O.P. Bangaria, P.S. Chandankyari, Bokaro, Jharkhand and is engaged in the manufacture and supply of Billets, TMT Bars, Wire Rods and Ductile Iron(DI) Pipes and also deals in Iron Ore, Pig Iron and Iron and Steel Scrap products generated while or for the purpose of manufacturing these products. It also produces Metallurgical Coke, Sinter and Power for captive consumption. The Company caters to the needs of construction, automobile, industrial machinery and equipments and water infrastructure development. The company is a subsidiary of Vedanta Limited.

**2 RECENT ACCOUNTING DEVELOPMENTS****2.1 Application of new and revised standards:**

Effective April 01, 2025, the Company has adopted the amendments notified by the Ministry of Corporate Affairs (MCA) related to Indian Accounting Standard (Ind AS) 21 "The Effects of Changes in Foreign Exchange Rates" which provided guidance for assessing lack of exchangeability between currencies and estimating the spot exchange rate when a currency is not exchangeable. Additional disclosure requirements have also been introduced in such scenarios, including the nature and financial effect of the currency in exchangeability, the estimation methodology used, and risks arising therefrom.

Ministry of Corporate Affairs (MCA) vide notification dated May 07, 2025, has amended Indian Accounting Standard (Ind AS) 21 "The Effects of Changes in Foreign Exchange Rates" and Ind AS 101 "First-time Adoption of Indian Accounting Standards". These amendments are applicable for annual reporting periods beginning on or after April 01, 2025. The key amendment relates to providing guidance for assessing lack of exchangeability between currencies and estimating the spot exchange rate when a currency is not exchangeable. Additional disclosure requirements have also been introduced in such scenarios, including the nature and financial effect of the currency in exchangeability, the estimation methodology used, and risks arising therefrom.

Further, vide notification dated August 13, 2025 MCA has further amended Ind AS 7 "Statement of Cash Flows" and Ind AS 107 "Financial Instruments: Disclosures" it provides for disclosure with respect to Supplier Finance Arrangement with the objective to assess how supplier's finance arrangement affect and entity's liabilities, cash flow and their effect on the company's exposure to liquidity risk.

The adoption of these amendments to the extent applicable to the Company did not have impact on the profit or loss and earnings per share of the Company for the year.

**2.2 Standards issued but not yet effective**

MCA vide notification dated August 13, 2025 has further amended Ind AS 1 relating to Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have an impact on its operations or financial statements.

**2.3** The Board of Directors have approved these financial statements for issuing to the shareholders for their adoption. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

**3 STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES****A. Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act"). The Company has complied with Ind AS issued, notified and made effective till the date of authorisation of the financial statements.

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

**Basis of Preparation**

The Financial Statements have been prepared under the historical cost convention on accrual basis except for:-

- certain financial instruments that are measured in terms of relevant Ind AS at fair values/ amortized costs at the end of each reporting period;
- certain class of Property, Plant and Equipment which on the date of transition have been fair valued to be considered as deemed costs; and
- Defined benefit plans- Plan Assets measured at fair value

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lacs except otherwise stated.



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026**

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurements:

- a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly for the asset or liability.
- c) Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable data).

The Company has an established control framework with respect to the measurement of fair value. This includes a finance team headed by Chief Financial Officer who has overall responsibility for overseeing all significant fair value measurements who regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

**B. PROPERTY, PLANT AND EQUIPMENT (PPE)**

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost on the date of transition i.e. PPE which have been fair valued on transition date to be considered as deemed costs and comprises purchase price of assets or its construction cost including inward freight, duties and taxes (net of input tax credit availed) and other expenses incidental to acquisition or installation and any cost directly attributable to bringing the assets into the location and condition necessary for it to be capable of operating in the manner intended for its use. In addition interest on borrowing to finance the construction of qualifying assets is capitalised as a part of the assets cost until such time the asset is ready for its intended use.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of PPE is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in the statement of profit and loss when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Property, Plant and Equipments that are not ready for intended use as on the balance sheet date are disclosed as Capital work in progress (CWIP). CWIP includes Project Development expenditure, equipment to be installed, construction and erection costs, etc. Such costs are added to the related items of PPE and are classified to the appropriate categories of PPE when completed and ready for its intended use. Expenditure directly relating to the implementation of the project prior to commencement of production and stabilization thereof being for such use are classified as Project Development Expenditure and disclosed under Capital Work-in-Progress (net of income earned during the project development stage).

The company's leased assets (other than those dealt hereunder as Mining Assets) comprises of land, building, plant and machinery etc and these have been separately shown/disclosed under PPE/ Intangible Assets as Right of Use (ROU) Assets.

**C. DEPRECIATION AND AMORTISATION**

Depreciation on PPE except stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method.

Certain Plant and Equipment have been considered as Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of Property, Plant and Equipment ('PPE') is provided over the remaining useful life of the entire component PPE.

In case the cost of part of PPE is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation on such part has been based on internal assessment and independent technical evaluation carried out by external valuers.

Depreciation on PPE commences when the assets are ready for their intended use. Based on above, the useful life is estimated and considered for depreciation are as follows:

Category	Useful life
Buildings	3 to 60 years
Roads	10 years
Plant and Equipments	3 to 40 years
Computers and Data Processing Units	3 to 6 years
Furniture and fixtures, Electrical Installation and Laboratory Equipments	10 Years
Railway Sidings	15 Years
Office equipment	5 Years
Vehicles	
- Motor cycles, scooters and other mopeds	10 Years
- Motor Cars under Own Your Car Scheme	4 Years
- Others	8 Years

For Buildings and Plant and Equipments, the useful life has been determined based on internal assessment and independent evaluation carried out by technical experts. The useful life in case of remaining assets have been taken as per Schedule II of the Act. The company believes that the useful life as given above represents the period over which the company expects to use the assets.



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Munish Chatterjee



Prakhalad Rawat

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

Pipe Moulds of 350 MM and above included under Plant and Machinery are depreciated over a period of three years. Other such moulds are charged to consumption in the year of issue.

Right-of-use assets are amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Mining Rights capitalised as Intangible Assets are amortised on unit of production basis over total estimated remaining commercial proved and probable mine reserve of respective mines as determined by technical expert.

Machinery and Insurance Spares which can be used in connection with an item of PPE and whose use are expected to be irregular, are amortised over the balance useful life of the respective PPE.

The management believes that the useful lives as considered above is realistic and reflect a fair approximation of the period over which assets are expected to be used.

Depreciation/Amortisation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

**D. MINING ASSETS**

**Acquisition Costs**

Costs associated with acquisition of lease/licenses and rights to explore, stamp duty, registration fees and other such costs are capitalised as Mining Rights and classified under Intangible Assets. Other assets pertaining to mining operations are capitalised under respective head of Property, Plant and Equipment. Bid premium and royalties payable with respect to mining operations is contractual obligation for carrying out such operations and are variable in nature being linked to the market prices of the mining produce. These are expensed and considered as cost of the mining produce as and when arising as per the agreements/ statute.

**Exploration and evaluation**

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost. These are classified as Property, plant and equipment or Intangible assets depending upon the nature of the assets and applies the classification consistently. Exploration expenditure includes all direct and allocated indirect expenditure associated with exploring specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities.

**Stripping cost**

Developmental stripping costs in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

The stripping costs incurred during the production phase of a surface mine is deferred to the extent the current period stripping cost exceeds the average period stripping cost over the life of mine and recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and certain criteria are met. When the benefit from the stripping costs are realised in the current period, the stripping costs are accounted for as the cost of inventory. If the costs of inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. The Company uses the expected volume of waste compared with the actual volume of waste extracted for a given value of ore/mineral production for the purpose of determining the cost of the stripping activity asset.

Developmental stripping costs are presented along with the related mining rights and are amortised on unit of production basis over total estimated remaining commercial proved and probable mine reserve of respective mines as determined by technical expert.

**Site restoration, rehabilitation and environmental costs.**

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs relate to the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and are typical of extractive industries and are normally incurred at the end of the life of the mine. These costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and are capitalised along with mining assets with corresponding provisions being included under Provision for Site Restoration of Mines. The capitalised asset is charged to the Statement of profit and loss over the life of the asset through amortisation over the useful life of the respective mine. The provision is increased in each period by unwinding the discount considered for arriving at the present value and the same is adjusted to the Statement of Profit and Loss. Estimates made as above are based on local legislation and/or other agreements and are reviewed periodically.

**E. INTANGIBLE ASSETS (OTHER THAN MINING ASSETS)**

Intangible assets are stated at cost of acquisition/deemed cost on transition date, comprising of purchase price inclusive of taxes and duties (net of Input Credit) less accumulated amortization and impairment losses.



*Munish Chatterjee*  
*[Signature]*



*Prateek Rawal*

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2020

F. LEASES

(i) Company as a lessee

The Company's lease assets (other than those dealt under as 'Mining Assets') primarily consist of leases for land, office space, transit houses, vehicles, plant and equipments, intangible assets, furnitures and fixtures etc. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability where applicable for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options considered for arriving at ROU and lease liabilities when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. ROU asset are separately presented/disclosed under PPE/Intangible Assets. Lease liability obligations is presented separately under the head "Financial Liabilities" and lease payments have been classified as financing cash flows.

(ii) Company as a lessor

a. Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

b. Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

G. DERECOGNITION OF TANGIBLE, ROU AND INTANGIBLE ASSETS

An item of PPE/ROU/Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE/Intangible Assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

H. IMPAIRMENT OF TANGIBLE, ROU AND INTANGIBLE ASSETS

Tangible, Intangible and ROU assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation/amortisation, had no impairment loss been recognized for the asset in prior years.

I. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities (financial instruments) are recognised when the company becomes a party to the contractual provisions of the instruments. The company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

The company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).



Munish Ghosh

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Signature of Munish Ghosh



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

**1. FINANCIAL ASSETS**

**1.1 Initial Recognition and measurement**

The financial assets include investments, trade receivable, loans and advances, cash and cash equivalents, bank balances other than cash and cash equivalents, derivative financial instruments and other financial assets.

Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or are deducted from the fair value of the financial assets as appropriate on initial recognition. However, trade receivable that do not contain a significant financing component are measured at transaction price.

**1.2 Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- (i) at amortised cost,
- (ii) at fair value through other comprehensive income (FVTOCI), and
- (iii) at fair value through profit or loss (FVTPL).

**Financial Assets at amortised cost**

A Financial Asset is measured at the amortised cost if the following two conditions are met:

- (i) The asset is held within a business whose objective is to hold these assets in order to collect contractual cash flows and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised Cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

**Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets, and contractual terms of the financial asset give rise to cash flows representing solely payments of principal and interest.

**Financial Assets at Fair value through profit or loss (FVTPL)**

Financial Assets which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Statement of profit and loss.

**1.3 Derecognition**

The company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**2. FINANCIAL LIABILITIES**

**2.1 Initial Recognition and measurement**

The financial liabilities include trade and other payables, loan and borrowings, derivative financial instruments and other financial liabilities.

Financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or are deducted from the fair value of the financial liabilities as appropriate in initial recognition.

**2.2 Subsequent measurement**

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

- (i) at amortised cost, and
- (ii) at fair value through profit or loss (FVTPL).

**Financial Liabilities at amortised cost**

After initial recognition, financial liabilities are measured at amortized cost using Effective Interest Rate (EIR) method. When the financial liabilities are derecognised, gain or losses are recognised in the Statement of profit and loss. Discount or premium on acquisition and other fees or costs forms an integral part of the EIR.

**Financial Liabilities at Fair value through profit or loss (FVTPL)**

Financial Liabilities which does not meet the criteria of amortised cost are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the Statement of profit and loss.

**2.3 Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**3. DERIVATIVE AND HEDGE ACCOUNTING**

**Initial Recognition and Subsequent measurement**

The company enters into derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the company. The hedge instruments are designated and documented as hedges and effectiveness of such hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis.



*Munish Chatterjee*

*Prakash Raj*

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset/ financial liability, at fair value through profit or loss. Transaction costs attributable are also recognized in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

Hedging instrument which no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity remains therein till that time and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of profit and loss.

**4. OFFSETTING FINANCIAL INSTRUMENTS**

Financial assets and liabilities including derivative financial instruments are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**5. IMPAIRMENT OF FINANCIAL ASSETS**

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The company recognises loss allowance using the Expected Credit Loss (ECL) mode for financial assets measured at amortised cost.

The company measures the loss allowance for a financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

In case of trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

**J. INVENTORIES**

Inventories are valued at lower of the cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished and process stock represents direct and indirect cost for bringing the inventory to present situation and condition including cost of material plus costs of conversion, comprising of labor costs and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost of mining iron ore inventory includes bid premium, royalties, other overheads and costs incurred for mining.

Scrap and by-products are valued at estimated net realisable value.

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

**K. FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the reporting date exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. Foreign exchange gain and loss resulting from settlement of such transactions and from translation of monetary amount and liability are recognized as income or expense in the Statement of Profit and Loss except to the extent considered as an adjustment to Interest Cost are considered as part of finance cost.

**L. EQUITY SHARE CAPITAL**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from other equity, net of any tax effects.

**M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

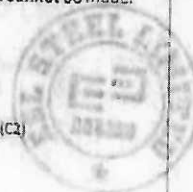
Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognised and disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.



*Munish Ghosh*

*[Signature]*



*Prabhat Ray*

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

Contingent Assets are not recognized but disclosed in the financial statement by way of notes to the financial statements when an inflow of economic benefit is probable.

**N. EMPLOYEE BENEFITS**

Employee benefits are accrued in the year in which services are rendered by the employee.

**Short-term Employee Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

**Other Long-term Employee Benefits**

The cost of providing long term employee benefits consisting of leave encashment that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

**Post-employment Benefit Plans**

The Company operates the following post employment schemes:

**- Defined Benefit Plans**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

**- Defined Contribution Plan**

Defined contribution plans such as provident fund etc. in accordance with the Statute are charged to the statement of profit and loss as and when incurred. Contribution to Superannuation fund and National Pension Scheme, a defined contribution plan is made in accordance with the company's policy and is recognised in the Statement of profit and loss.

**Share based Payments**

Certain employees (including executive directors) of the company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares of the Holding Company ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured at fair value of share awards at the date at which they are granted. The fair value of share awards is determined by the Holding Company with the assistance of an external valuer and the fair value at the grant date as estimated is expensed on a proportionate basis over the vesting period based.

The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date by the Holding Company with respect to terms and conditions determining the eligibility of the Shares as per the Scheme of the award so granted and differential thereof are adjusted in respective year on determination.

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

**O. OPERATING AND OTHER INCOME**

**i. REVENUE FROM SALE OF PRODUCT**

Revenue from contracts with customers is accounted for only when it has commercial substance, and all the following criteria are met:

- (i) parties to the contract have approved the contract and are committed to perform their respective obligations;
- (ii) each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;
- (iii) consideration in exchange for the goods or service to be transferred is collectible and determinable.

Revenue from contract with customers is recognized on satisfaction of performance obligation, when control over the goods or services has been transferred and/or goods/ services are delivered/ provided to the customer. Delivery occurs when the goods have been shipped or delivered to a specific location, and the customer has either accepted the goods under the contract or the company has sufficient evidence that all the criteria for acceptance have been satisfied.



*Munish Chatterjee*

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*Mahabub  
Rawal*

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

Revenue is measured at the amount of transaction price (consideration specified with the customers) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of rebates, claims and discounts and returns. Goods and Service Tax (GST) and such other taxes collected on behalf of third party not being economic benefits flowing to the company are excluded from revenue. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Revenue in respect of certain contracts provides mechanism for pricing provisionally based on the price as per the Platts Steel Markets Daily index report or notified ASP as specified in the contracts. In such cases, revenue is recognised at such price on passing of control of the goods to the customers. Final settlement of the price is based on the price applicable for a future period or rates to be notified subsequently as specified in the contract. Such provisionally priced revenue is marked to market as notified till the end of the reporting period using the relevant forward price for the future period/notified prices specified in the contract. Differential arising with respect to the final settlement and those notified on mark to market basis with respect to such sales are considered as and when determined. Provisional pricing adjustment are included in the revenue from operations and disclosed by way of notes to the financial statements.

Discount as estimated based on expected sales volume or otherwise is deducted from Revenue from Operations. Past experience is used to estimate the discounts, using the most likely method and revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

ii. **INTEREST, DIVIDEND AND CLAIMS**

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted / settled.

iii. **EXPORT BENEFITS**

Export incentives are accounted for in the period of export if the entitlements and realisability thereof can be estimated with reasonable accuracy and conditions precedent to such benefit is fulfilled.

P. **BORROWING COST**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE), mining assets or other intangible assets which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

Q. **BUYERS' CREDIT/ SUPPLIER'S CREDIT AND VENDOR FINANCING**

The Company enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials, services and project materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are generally settled within 12 months for raw materials/ services and within 36 months for the project materials. Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Payments made to vendors are treated as cash item and disclosed as cash flows from operating/ investing activity depending on the nature of the underlying transaction. Where such arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the balance sheet.

Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non-cash item and settlement of operational buyer's credit/ suppliers' credit by the Company is treated as cash flows from operating activity reflecting the substance of the payment. Settlement of dues to banks and financial institution are treated as cash flows from financing activity.

R. **RESEARCH AND DEVELOPMENT**

Research and development cost (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

S. **GOVERNMENT GRANTS**

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Operating Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise in relation to non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods as specified for meeting the obligations related to such grants.

T. **TAXES ON INCOME**

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences with respect to carry forward of any unused tax losses/depreciation to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.



*manish choudhary*

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*Prateek Rawar*

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

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

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

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

Deferred tax items in correlation to the underline transactions relating to Other Comprehensive Income and Equity are recognised in Other Comprehensive Income and Equity respectively.

**U. EARNINGS PER SHARE**

Basic earnings per share are computed by dividing the net profit/(loss) attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**V. SEGMENT REPORTING**

Operating segments are identified and reported taking into account the different risk and return, organisation structure and in a manner consistent with the internal reporting provided to the Chief-Operating Decision Maker (CODM). CODM is responsible for allocating resources and assessing performance of the operating segments, financial results, forecasts, or plans for the segment.

**4. CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY**

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the subsequent period are disclosed below. The notes dealt with in Note 4(a) to 4(h) below provide an overview of the areas that involved a high degree of judgement or complexity and of items which are likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements are included in relevant note together with information about basis of calculation of each affected line item in the financial statements.

**a) Depreciation / amortisation of and impairment on Property, Plant and Equipment / Intangible/ ROU Assets.**

Property, plant and equipment and intangible assets are depreciated/amortized over the estimated useful lives in accordance with Internal assessment and Independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013 and estimate for proven and probable mineral reserve, taking into account the estimated residual value, wherever applicable. ROU are depreciated on a straight line basis over the shorter of the lease term and useful life of the underlying asset. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment if any to be recorded during any reporting period. This reassessment may result in variation in the amount of depreciation and amortisation in future period.

The company reviews carrying value of its Tangible, ROU and Intangible Assets whenever there is objective evidence that the assets are impaired. The required level of impairment losses to be made is estimated by reference to the estimated value in use or recoverable amount. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

In earlier years, the company determined the recoverable amount of the CGU based on the transaction price in terms of approved resolution plan and impairment with respect to carrying value of the assets was provided. This has been reviewed based on the assumptions and adjustments for forecasts as validated by an independent Valuer appointed in this respect, which may vary subsequently requiring adjustment as and when ascertained. According to such review, no further adjustment in the carrying value thereof has been considered essential and thereby impairment recognised in earlier years have been continued. As at March 31, 2026, the carrying amount of Property, Plant and Equipment, Intangible assets and Capital Work in Progress is Rs. 7,42,809.17 lakhs (March 31, 2025: Rs. 6,85,742.28 lakhs)

**b) Right-of-use assets and lease liability**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account among other thing, the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.



*Manish Chatterjee*

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*Pranav Lal*  
*Rawal*

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

c) **Impairment allowances on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowances as a result of the inability of the customer to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. In case of variation in financial conditions of the trade receivable the amount of impairment as recognised may vary having a significant impact on the Financial Statement.

d) **Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes. Also there are many transactions and assumptions during the ordinary course of business for which the ultimate tax determination is uncertain. Further material judgements and assumptions are involved for arriving at timing differences and consequential adjustments on account of deferred taxation as on the balance sheet date.

The Company has significant amount of unused business and depreciation losses. Significant management judgement is required to determine the amount of deferred tax assets (DTA) that can be recognised, based upon the likely timing for utilisation thereof against taxable profit together with future tax planning strategies. The management has reviewed the rationale for continuing recognition of DTA recognised in earlier years based on the likely timing and amount of profitability in future and expected utilisation of deferred tax thereagainst. Accordingly, as a matter of prudence based on past trends etc., Deferred Tax Assets of Rs. 52,949.80 lakhs created in earlier years on depreciation losses considering the expected utilisation thereof within the reasonable period against taxable income, have been reversed during the year. Further, as indicated in Note 49, Rs. 1,50,052.05 lakhs (including Rs. 21,406.02 lakhs for the year) on account of such losses including depreciation has not been recognised. Since these are based on assumptions and projections and thereby are inherently uncertain. The amount of DTA may vary in subsequent period depending upon the prevailing conditions, circumstances and profitability.

e) **Going Concern assumption**

The Company has been incurring losses and its net worth to substantial extent has got eroded till the year end. Further, the current liabilities have exceeded its current assets and operational losses incurred have affected significantly the total equity of the company. The Company's application for renewal of Consent to Operate ('CTO') was denied by Jharkhand State Pollution Control Board ('JSPCB'). Further Environmental Clearance has also not been granted by Ministry of Environment and Forest (MoEF) as detailed in Note 45.

However as stated in Note 45, despite constraints in meeting long term funding requirements for want of CTO and losses incurred by the company, the net worth of the company is positive. Even though there is uncertainty in this respect as on this date and considering that effective steps including procurement and transfer of land to the forest department currently being undertaken for obtaining required clearances and also the direction of Hon'ble Supreme Court allowing the continuation of the operations of the company and continued support by the Holding company for meeting company's funding and other requirements, the accounts of the company have been continued to be prepared on going concern basis. In the event of the assumption for going concern not turning out to be true in subsequent period, the same may have significant impact on the financial statement of the company and the same as such has not been ascertained as on this date.

f) **Mining Rights and Assets**

**Mine Reserve and Site restoration Cost**

Reserves considered for computing acquisition costs, stripping cost, costs as part of mining activity, exploration and evaluation cost are reassessed at least annually. Moreover, changes in reserves as a result of change in management assumptions could impact the amortisation rates and the carrying value of assets. Provision for site restoration are estimated based on available information including third party inspection reports, taking into account applicable local legal requirements, mining plans, data base based on survey report, current prices and discount rates. Significant technical and commercial judgements are required to determine the Company's estimate for iron ore reserves and provision for site restoration. All assumptions are reviewed annually and variations are accounted for accordingly.

**Commitment under MDPA arrangement**

In terms of the Mine development and production agreement ('MDPA') signed with respect to two mine blocks the Company is required to fulfil certain minimum production quantities each year from commencement of mining lease. In the event, the Company is unable to fulfil the required minimum production quantities, it would be liable to pay penalty, as prescribed in the MDPA.

Based on management's evaluation of mining plan submitted and also as referred to in Note no. 41(A)(d) and 41(B), the accounts have been prepared on the assumption that there will not be any shortfall with respect to minimum quantity stipulated for production as required under MDPA.

Further, the demands so raised have not been raised after due consideration of Company's contention and allowing the Company to make necessary representations etc. on the matter and thereby these are not legally tenable. Accordingly, a favourable resolution in terms of MDPA in line with regulatory proceedings and judicial findings is expected and possibilities of financials outflow arising from this demand notice is considered to be remote. Adjustments with respect will be given effect to on final decision and determination of the amount.



*March 31, 2025*

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*Prakash  
29/3/25*

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

g) **Defined benefit obligation (DBO)**

The present value of the defined benefit obligations and long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. An actuarial valuation involves a number of critical underlying assumptions such as standard rate of inflation, estimate of defined benefit obligation, discount rate, anticipation of future salary increases, mortality rates etc. as estimated by an Independent Actuary appointed for this purpose by the Management. Due to the complexities involved in the valuation and being long-term in nature, a defined benefit obligation is highly sensitive to changes in these assumptions. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses. All assumptions are reviewed at each reporting period.

h) **Provisions and Contingencies**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

In accordance with ARP, contingent liabilities prior to the effective date of NCLT Order have been extinguished which has been further substantiated based on various judicial pronouncements including those of Hon'ble Supreme Court of India. The said order of Hon'ble Supreme Court has been submitted to various judicial authorities for disposal of the same and accordingly the same has not been disclosed in the financial statements. Although there can be no assurance with regard to final outcome of the legal proceeding, the company does not expect to have an adverse impact in this respect.

Management uses in-house and external legal professional inputs for its own judgment and estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy. The carrying amount of Provisions and liabilities and estimation for contingencies are regularly reviewed to take into account changing facts and circumstances.



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*Munish Ghosh*

*Prabhat  
Roul*



ESL STEEL LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

5 PROPERTY, PLANT AND EQUIPMENT:

(Rs. in lakhs)

Particulars	Freehold land	ROU - Land Leasehold	Buildings	ROU - Building Leasehold	ROU - Equipments Leasehold	Plant and Equipment	Furniture and Fixtures	Vehicles	ROU - Vehicles Leasehold	Office Equipments	Railway/Siding	Total
As at March 31, 2025												
Gross Block	41,736.40	77,512.51	1,98,423.45	640.71	2,853.49	8,30,666.46	1,217.08	224.58	2,286.41	5,602.07	20,156.92	11,81,340.10
As at March 31, 2025	110.40	-	33.03	33.71	46,769.75	4,495.00	101.97	14.78	270.33	137.50	9.11	51,975.58
Additions/Disposal	-	-	-	-	(279.38)	(2,515.10)	-	(6.50)	(122.43)	(8.31)	-	(2,931.72)
Other Adjustments	-	(4.20)	-	43.82	(85.20)	-	-	-	(12.11)	-	-	(57.69)
As at March 31, 2026	41,846.80	77,512.51	1,98,452.28	718.21	49,256.66	8,32,666.38	1,319.05	232.86	2,422.20	5,731.26	20,166.03	12,30,326.27
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	-	8,728.57	53,662.50	349.06	1,092.20	2,69,185.66	499.53	80.23	1,604.39	3,041.63	8,220.12	3,45,453.89
Charge for the year	-	3,454.44	4,044.11	189.68	1,550.65	30,483.73	69.81	18.12	407.21	432.46	794.19	41,464.40
Deductions/Disposal	-	-	-	-	(279.38)	(1,711.34)	-	(1.59)	(122.43)	(2.58)	-	(2,117.32)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2026	-	12,183.01	57,706.61	538.74	2,353.47	2,96,958.05	569.34	96.76	1,889.17	3,471.51	9,014.31	3,84,800.97
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	18,006.21	-	76,043.34	-	-	3,08,093.33	131.75	24.46	-	1,044.82	7,674.40	4,11,018.31
Charge for the year	-	-	-	-	-	(376.70)	-	-	-	-	-	(376.70)
Deductions/Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2026	18,006.21	-	76,043.34	-	-	3,07,716.63	131.75	24.46	-	1,044.82	7,674.40	4,10,641.61
Net carrying amount	23,840.59	65,329.50	64,702.33	179.50	46,905.19	2,27,991.70	597.96	111.64	533.03	1,214.93	3,477.32	4,34,863.69
As at March 31, 2025												
As at March 31, 2026												

Particulars	Freehold land	ROU - Land Leasehold	Buildings	ROU - Building Leasehold	ROU - Equipments Leasehold	Plant and Equipment	Furniture and Fixtures	Vehicles	ROU - Vehicles Leasehold	Office Equipments	Railway/Siding	Total
As at March 31, 2024	41,736.40	64,780.91	2,00,870.45	965.53	2,991.37	8,49,423.52	1,197.10	269.14	1,963.65	5,366.17	20,189.50	11,89,703.55
Additions	-	12,791.60	1,082.92	160.74	1,194.13	17,793.18	35.77	25.92	487.32	379.34	41.01	33,931.93
Deductions/Disposal	-	-	(3,629.63)	(459.07)	(1,364.47)	(86,530.22)	(15.79)	(70.48)	(202.03)	(143.44)	(23.39)	(42,338.82)
Other Adjustments	-	-	-	(28.49)	32.46	-	-	-	37.47	-	-	43.44
As at March 31, 2025	41,736.40	77,572.51	1,98,423.45	640.71	2,853.49	8,30,666.46	1,217.08	224.58	2,286.41	5,602.07	20,156.92	11,81,340.10
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	-	6,351.72	50,237.36	587.06	1,636.77	2,50,385.13	423.98	106.05	1,261.43	2,719.89	7,440.77	3,21,150.16
Charge for the year	-	2,376.86	4,022.62	221.07	809.90	29,581.39	66.73	20.86	544.99	411.10	788.85	38,864.35
Deductions/Disposal	-	-	(587.48)	(459.07)	(1,364.47)	(11,780.85)	(11.18)	(46.68)	(202.03)	(89.36)	(9.50)	(14,560.62)
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	-	8,728.57	53,662.50	319.06	1,082.20	2,88,185.66	459.53	80.23	1,604.39	3,041.63	8,220.12	3,45,453.89
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	18,006.21	-	77,522.21	-	-	3,20,352.17	134.68	29.75	-	1,076.70	7,632.60	4,24,804.92
Charge for the year	-	-	(1,478.87)	-	-	(12,258.84)	(2.93)	(5.28)	-	(31.88)	(8.20)	(13,786.01)
Deductions/Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	18,006.21	-	76,043.34	-	-	3,08,093.33	131.75	24.46	-	1,044.82	7,674.40	4,11,018.31
Net carrying amount	23,730.19	66,783.94	68,717.61	291.65	1,771.29	2,54,407.49	585.60	119.89	682.02	1,515.62	4,262.40	4,24,867.90
As at March 31, 2025												

*Manish Choudhary*  
 Sensitivity: Confidential (C2) *Manish Choudhary*





ESL STEEL LIMITED  
NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in Lakhs)

6.1 The project undertaken in earlier years for enhancing the production capacity from 1.50 MTPA to 3.00 MTPA and those in nature of balancing equipment for attaining the operational efficiency and related costs consisting of one Blast Furnace, Horizontal Coke Oven and other related equipments and facilities etc, for the project is under progress. Accordingly, Rs. 68,733.90 lakhs (net) being cost of various plant and equipment acquired for the project in earlier years has been carried forward as capital work in progress and is being used in the planned expansion project post technical evaluation and consequential adjustments, as considered appropriate in this respect. Details in this respect and cost incurred subsequently pending completion are given in 6.3 and 6.4 below.

6.2 Project Development Expenditure

'Project Development Expenditure' as given in 6(b) above, represents proportionate interest and other directly attributable expenditure related to the above project accounted for pending allocation to the respective assets and/or otherwise to be adjusted on completion of the project.

6.3 Ageing Schedule of Capital Work in Progress

Particulars	Amount in CWIP for a Period of				As at March 31, 2025	Amount in CWIP for a Period of			As at March 31, 2025
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		Less than 1 Year	1-2 Years	2-3 Years	
Projects in Progress									
Capacity Expansion and Efficiency Upgradation	44,543.99	56,312.72	38,761.56	1,26,699.88	2,66,318.15	56,912.72	38,879.63	53,989.47	2,21,901.87
Sustaining Capex- Modification and Addition	1,963.74	88.46	295.93	172.49	2,520.62	451.15	458.14	295.56	1,297.11

6.4 Projects Overdue and expected Completion date

a) The capacity expansion project from 1.50 MTPA to 3.00 MTPA which was started as a part of the main project was required to be completed within three years in terms of the resolution plan approved by Hon'ble NCLT on April 17, 2018. However, this could not be completed due to pending issue of CTO as dealt with in Note 45. Effective steps are being taken towards obtaining the CTO and the project will be completed subsequent to such approval.

b) Status with respect to other projects are as follows:

Particulars	Amount in CWIP to be completed in				As at March 31, 2025	Amount in CWIP to be completed in				As at March 31, 2025
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Sustaining Capex- Modification and Addition										
SMS PLANT	1,006.19	-	-	-	1,006.19	23.85	-	-	-	23.85
POWER PLANT	108.75	-	-	-	106.75	295.27	-	-	-	295.27
IRON ORE MINES	577.27	-	-	-	577.27	683.12	-	-	-	683.12
WPM	13.88	-	-	-	13.88	11.02	-	-	-	11.02
BFZ	630.29	-	-	-	630.29	30.52	-	-	-	30.52
COKE FACILITY	166.24	-	-	-	166.24	275.45	-	-	-	275.45
SINTER PLANT	-	-	-	-	-	27.88	-	-	-	27.88

6.5 Also Refer Note no. 41 (D)



*Manish Chatterjee*

*Manish*

*Manish*



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ESL STEEL LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

7. OTHER INTANGIBLE ASSETS

(Rs. in lakhs)

Particulars	Gross Block			Amortisation			Impairment			Net carrying amount As at March 31, 2026	
	As at March 31, 2025	Additions	Other Adjustments	As at March 31, 2025	Charge for the period	Other Adjustments	As at March 31, 2025	For the period	Other Adjustments		As at March 31, 2025
Computer Softwares	2,658.30	145.92	-	2,804.22	443.83	-	2,047.64	54.66	-	54.66	701.92
Mining Assets	56,651.42	4,234.76	-	60,886.18	2,204.84	-	23,228.00	-	-	-	37,658.18
ROU Intangible	1,571.00	-	(11.85)	1,559.15	308.85	-	832.54	-	-	-	726.61
	60,880.72	4,380.68	(11.85)	65,249.55	2,957.52	-	26,108.18	54.66	-	54.66	39,086.71

As at March 31, 2025

Particulars	Gross Block			Amortisation			Impairment			Net carrying amount As at March 31, 2025	
	As at March 31, 2024	Additions	Other Adjustments	As at March 31, 2024	Charge for the period	Other Adjustments	As at March 31, 2024	Additions	Other Adjustments		As at March 31, 2025
Computer Softwares	2,230.78	427.52	-	2,658.30	439.34	-	1,603.81	54.66	-	54.66	999.83
Mining Assets	55,998.36	653.06	-	56,651.42	4,770.97	-	21,023.16	-	-	-	35,628.26
ROU Intangible	1,581.41	-	(10.41)	1,571.00	312.84	-	523.69	-	-	-	1,047.31
	59,810.55	1,080.58	(10.41)	60,880.72	5,523.15	-	23,150.66	54.66	-	54.66	37,075.40

7.1 Refer note. No. 20 in respect of charge created against borrowings.

7.2 Lease deed in respect of Iron Ore and Manganese Block with Lease Area of 117.21 Hectares having proposed mining plan of 1,56,58,750 MT in Naddidih Iron and Manganese Ore Block Village and another Iron Ore Block with Lease Area of 74.50 Hectares having proposed mining plan of 2,25,22,752 Mt in Naddidih Iron Ore Block Village allotted to the company had been executed on November 20, 2021 with the Government of Odisha.

The commercial operation of these mines had commenced on February 11, 2022 and Rs. 53,892.03 lakhs being costs incurred for acquisition of licences, rights for mining, stamp duty, registration fee and other such costs till the said date had been capitalised as Mining Rights and shown under Intangible Assets.

7.3 Mining Assets represent expenditure incurred in relation to acquisition of mining rights, mine development expenditure post establishment of technical and commercial feasibility and restoration obligations as per applicable regulations. This includes Stripping Activity Assets Gross Block amounting to Rs. 2,155.33 lakhs (March 31, 2025: Rs. 1,804.59 lakhs). Refer Note no. 22.2 in respect of assessment carried out for restoration obligations.

7.4 Also Refer Note no. 41(A)(d) and 41(B)



Maulik Chaudhary

*[Signature]*

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

8 OTHER FINANCIAL ASSETS

Particulars	Refer Note No.	As at	As at
		March 31, 2026	March 31, 2025
(a) Security Deposits			
Considered good		555.30	520.68
Considered doubtful		129.12	129.82
Less: Impairment Allowance for doubtful deposit	8.1	(129.12)	(129.82)
(b) Fixed Deposits with Banks (having original maturity of more than 12 months)	15.2	8,492.70	8,784.42
(c) Interest receivable on fixed deposits	15.2	3.54	6.23
		<u>9,051.54</u>	<u>9,311.33</u>

8.1 Movement of Impairment Allowances for doubtful deposits

Particulars	For the Year ended	For the Year ended
	March 31, 2026	March 31, 2025
At the beginning of the year	129.82	1.90
Recognised during the year	-	127.82
Reversal during the year	0.701	-
At the end of the year	<u>129.12</u>	<u>129.82</u>

9 NON-CURRENT TAX ASSETS (NET)

Particulars	Refer Note No.	As at	As at
		March 31, 2026	March 31, 2025
Advance Income Tax including Tax deducted at source		8,009.32	2,730.96
		<u>8,009.32</u>	<u>2,730.96</u>

10 OTHER NON-CURRENT ASSETS

Particulars	Refer Note No.	As at	As at
		March 31, 2026	March 31, 2025
(a) Capital advances		4,915.12	4,181.69
(b) Prepaid Expenses		298.58	87.35
(c) Others- Stores and spares, Employee advances etc	10.1 and 10.2	757.70	737.30
		<u>5,971.40</u>	<u>4,986.34</u>

10.1 Others Non-Current Assets represents stores and spares amounting to Rs. 737.30 lakhs of Air Separation Unit given on finance lease which have been transferred to the lessee on returnable basis at the end of the term of the lease agreement as detailed in Note 30.1

10.2 Includes non-current portion of advance against salaries amounting to Rs. 20.40 Lakhs

11 INVENTORIES

Particulars	Refer Note No.	As at	As at
		March 31, 2026	March 31, 2025
(a) Raw Materials		19,259.22	13,505.39
(b) Raw Materials in transit		3,962.45	6,962.60
(c) Semi Finished Goods/ Process Stock		34,917.73	46,596.42
(d) Finished Goods		2,295.04	4,192.60
(e) Finished Goods in transit		184.95	132.78
(f) Stores and Spares		19,964.19	19,299.82
Less: Provision for Obsolete and Non-moving Stores and Spares	11.1	(2,514.10)	(3,008.35)
(g) Stores and Spare Parts in transit	11.2	725.73	1,240.00
Less: Provision for Obsolete and Non-moving Stores and Spares	11.2	(48.12)	(46.97)
(h) Scrap and By Products		5,923.49	10,805.73
		<u>84,670.58</u>	<u>99,680.02</u>

11.1 Stores and Spares stock includes stock of DI Pipe Mould of size 350 mm and above amounting to Rs. 2,888.95 lakhs (March 31, 2025: Rs. 2,319.35 lakhs).

11.2 Also refer Note no. 44 and 23.1 in respect of charge created against borrowings

Particulars	For the Year ended	For the Year ended
	March 31, 2026	March 31, 2025
At the beginning of the year	3,055.32	3,313.77
Recognised during the year	-	-
Reversal during the year	(493.10)	(258.45)
At the end of the year	<u>2,562.22</u>	<u>3,055.32</u>



Manish Chaudhary

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Prakhar Awasthi

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

12 INVESTMENTS

Particulars	As at March 31, 2026		As at March 31, 2025	
	Units	Amount	Units	Amount
<b>Investments measured at fair value through Profit and Loss</b>				
<b>Investment in Mutual Funds (unquoted)</b>				
(a) Tata Liquid Fund- Direct Plan- Growth Option (Face Value: Rs. 1,000)	34,610.45	1,505.45	-	-
(b) NIPPON India Liquid Fund- Direct Plan- Growth Option (LFAGG) (Face Value: Rs. 1,000)	29,708.31	2,001.58	-	-
(c) HDFC Liquid Fund- Direct Plan- Growth Option (Face Value: Rs. 1000)	56,047.39	3,032.10	-	-
(d) Aditya Birla Sunlife Overnight Fund- Direct Plan - Growth Option (Face Value: Rs. 100)	-	-	-	-
(e) ICICI Prudential Overnight Fund- Direct Plan- Growth Option (Face Value: Rs. 1000)	68,922.17	1,000.34	1,15,962.32	1,601.58
(f) Aditya Birla Sunlife Liquid Fund- Direct Plan - Growth Option (Face Value: Rs. 100)	23,72,872.46	10,560.43	-	-
(g) Kotak Overnight Fund - Direct Plan - Growth Option (Face Value: Rs. 1,000)	-	-	-	-
			36,733.76	500.37
		18,101.93		2,101.95

12.1 Aggregate amount of quoted investments in Mutual Funds 18,101.93  
 12.2 Aggregate amount of NAV of Investments in Mutual Funds 2,101.95  
 12.3 Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed herein above.  
 12.4 Also refer Note no. 44 and 23.1 in respect of charge created against borrowings 2,101.95

13 TRADE RECEIVABLES

Particulars	Refer Note No.	As at	As at
		March 31, 2026	March 31, 2025
<b>Unsecured</b>			
Considered good			
Considered good, having significant increase in Credit Risk	13.1	4,694.31	8,877.84
Credit Impaired	13.1	619.08	577.97
Less: Impairment Allowance for doubtful debts	13.2	54.30	54.30
		(54.30)	(54.30)
		5,313.39	9,455.81

13.1 Trade Receivables ageing schedule based on the due date for payment there against are as follows:

Particulars	As at	As at
	March 31, 2026	March 31, 2025
<b>Undisputed Trade Receivables- Considered Good</b>		
Within the credit period		
Less than 6 Months	3,756.77	7,380.10
6 months - 1 Year	772.59	1,416.35
1-2 Years	123.10	25.54
2-3 years	25.54	29.27
More than 3 years	5.41	21.03
	10.90	5.55
	4,694.31	8,877.84
<b>Undisputed Trade Receivables- Significant increase in Credit Risk</b>		
6 months - 1 Year	-	574.81
1-2 Years	616.24	3.18
2-3 years	2.84	-
More than 3 years	-	-
	619.08	577.97
<b>Disputed Trade Receivables- Credit impaired</b>		
More than 3 years	54.30	54.30
	54.30	54.30

Unbilled amount included above being less than 1 year are as follows:

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Undisputed Trade Receivable	451.57	-
	451.57	-

13.2 Movement of Impairment Allowances for doubtful debts

Particulars	For the Year ended	For the Year ended
	March 31, 2026	March 31, 2025
At the beginning of the year	-	-
Recognised during the year	54.30	54.30
Reversal during the year	-	-
At the end of the year	-	-
	54.30	54.30

13.3 Also refer Note no. 44 and 23.1 in respect of charge created against borrowings



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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

14 CASH AND CASH EQUIVALENTS

Particulars

Refer Note No.

	As at March 31, 2026	As at March 31, 2025
(a) Balances with Banks: - In Current Accounts		
(b) Fixed Deposits with original maturity of less than 3 months	6,185.70	2,844.09
	1,098.35	3,044.86
	<u>7,284.05</u>	<u>5,888.95</u>

14.1 Also refer Note no. 44 and 23.1 in respect of charge created against borrowings

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars

Refer Note No.

	As at March 31, 2026	As at March 31, 2025
Fixed Deposits with Banks (having original maturity of more than 3 months)		
	12,474.85	18,535.94
	<u>12,474.85</u>	<u>18,535.94</u>

15.1 Refer Note no. 44 and 23.1 in respect of charge created against borrowings

15.2 Fixed Deposits with banks includes:

- a) Rs. 20,892.85 (March 31, 2025: Rs. 25,248.56 lakhs) (including Rs. 8,481.80 lakhs (March 31, 2025: Rs. 8,770.91 Lakhs) disclosed under other non-current assets) which have been lodged with bank as margin money against Letter of Credit/Bank Guarantees/OD facilities issued/granted by them; and  
b) Rs. 74.70 lakhs (March 31, 2025: Rs. 71.80 lakhs) (including Rs. 10.90 lakhs (March 31, 2025: Rs. 13.51 lakhs) disclosed under other non-current assets) lying with Customers/Vendors/ Government Authorities in term of agreement/orders.

16 OTHER FINANCIAL ASSETS

Particulars

Refer Note No.

	As at March 31, 2026	As at March 31, 2025
(a) Earnest Money/ Security Deposits to Vendors		
Considered good	72.40	337.12
Considered Doubtful	7.70	75.28
Less: Impairment Allowance for doubtful deposits	(7.70)	(75.28)
(b) Derivative Assets at fair value through profit and loss	27.53	-
(c) Interest receivable	34.19	28.25
(d) Export incentive receivables	22.88	40.58
(e) Other Receivables and Deposits	9.37	1,661.42
	<u>166.37</u>	<u>2,065.35</u>

16.1 Movement of Impairment Allowances for doubtful Debts and Deposits

Particulars

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
At the beginning of the year		
Recognised during the year	75.28	7.70
Reversal during the year	-	67.58
At the end of the year	<u>(87.58)</u>	<u>-</u>
	7.70	75.28

16.2 Refer Note no. 44 and 23.1 in respect of charge created against borrowings

16.3 Deposit of Rs. 1,548.71 lakhs made before Hon'ble Jharkhand High Court in earlier year pertains to the award of West Bengal Micro Small Enterprise Facilitator Council (WBMSEFC) (Award) given in favor of a vendor. This has been refunded back along with interest during the year as per the decision of Hon'ble Supreme Court of India in respect of the SLP filed before the said court against the said Award.



Munish Chandra



Prabhat Rawat

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

17 OTHER CURRENT ASSETS

Particulars	Refer Note No.	As at	
		March 31, 2026	March 31, 2025
(a) Balance with Government Authorities	17.3	11,910.78	8,783.32
(b) Advances for supply of goods and services	17.4		
Considered good		8,466.40	8,035.35
Considered doubtful		534.24	445.41
Less: Impairment Allowance for doubtful balances	17.1	(534.24)	(445.41)
(c) Prepaid Expenses	17.2	6,298.87	5,854.63
(d) Advances against salaries		4.41	39.87
(e) Others- GST Clearing accounts, RoDTEP Licences etc.		841.72	379.34
		<u>27,520.18</u>	<u>22,892.51</u>

17.1 Movement of Impairment Allowances for doubtful balances:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
At the beginning of the year		
Recognised during the year	445.41	129.47
Reversal during the year	88.83	315.94
At the end of the year		
	<u>534.24</u>	<u>445.41</u>

17.2 Includes amount paid to related parties against Brand Fees for the financial year 2025-2026 (Refer Note no 39)

17.3 Includes

- a) Rs. 1,288.43 lakhs (March 31, 2025: Rs. 1,288.43 lakhs) related to Input Tax Credit on burnout based on the order of Hon'ble Supreme Court of India;
- b) Rs. 543.61 lakhs (March 31, 2025: Rs. 543.61 lakhs) lying as deposit paid under protest against various judicial authorities in terms of the respective Orders; and
- c) Rs. 9,039.62 lakhs (March 31, 2025: Rs. 6,037.39 lakhs) representing electricity duty charged by electricity provider pursuant to the Jharkhand Electricity Duty (Amendment) Act, 2021 for enhancing the duty both on the electricity procured and from captive power plant has been held ultra vires the provision of Bihar Electricity Duty Act, 1948 as well as Articles 14, 19(1)(g) and 285 of the Constitution of India vide order dated January 05, 2028 by Hon'ble High Court of Jharkhand. Such duty of Rs. 1,576.02 lakhs expensed till the year ended March 31, 2025 has been written back and shown under Exceptional Items.

17.4 Includes Rs. 2,319.10 lakhs (March 31, 2025: Rs. 2,206.85 lakhs) lying with vendors under cash and carry arrangement against supply of imported coal over the specified period of time.

17.5 Refer Note no. 44 and 23.1 in respect of charge created against borrowings

18 EQUITY SHARE CAPITAL

Particulars	As at	
	March 31, 2026	March 31, 2025
(a) Authorised:		
10,02,00,00,000 Equity Shares of Rs. 10/- each (March 31, 2025: 10,02,00,00,000 Equity Shares)	10,02,000.00	10,02,000.00
	<u>10,02,000.00</u>	<u>10,02,000.00</u>
(b) Issued, Subscribed and Fully Paid Up:		
1,84,90,30,224 Equity Shares of Rs. 10/- each (March 31, 2025: 1,84,90,30,224 Equity Shares)	1,84,903.02	1,84,903.02
	<u>1,84,903.02</u>	<u>1,84,903.02</u>

18.1 Reconciliation of the number of Equity Shares Outstanding:

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
No. of shares as at the beginning	1,84,90,30,224	1,84,90,30,224
Changes during the year	-	-
No. of shares as at the end	<u>1,84,90,30,224</u>	<u>1,84,90,30,224</u>

18.2 Shareholders holding more than 5% Shares Equity Shares:

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	Nos	% holding	Nos	% holding
Vedanta Limited	1,76,55,53,040	95.49%	1,76,55,53,040	95.49%

18.3 The Company has one class of shares referred to as Equity Shares having a par value of Rs. 10/- Each Holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive assets of the Company remaining after distribution of all preferential amounts, in proportion of their shareholding.



Mamun Chaudhary

*[Handwritten Signature]*

Prakash Patel



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

19 OTHER EQUITY

Particulars		As at March 31, 2026	As at March 31, 2025
(a) Capital Reserve	19.1		
As per last Balance Sheet		9,59,908.68	9,59,908.68
(b) Capital Reserve on Amalgamation	19.1		
As per last Balance Sheet		(1,74,593.58)	(1,74,593.58)
(c) Securities Premium	19.2		
As per last Balance Sheet		1,79,036.44	1,79,036.44
(d) Retained Earnings	19.3		
As per last Balance Sheet		(0.00)	-
Profit/(Loss) for the Year		(7,16,159.56)	(6,89,386.20)
Transfer from Other Comprehensive Income		(1,18,838.55)	(26,619.31)
		(237.34)	(154.05)
(e) Other Comprehensive Income	19.4		
Re-measurement of defined benefit plan			
As per last Balance Sheet		-	-
Other Comprehensive Income for the year		(237.34)	(154.05)
Transfer to Retained Earnings		237.34	154.05
		-	-
		1,31,118.09	2,48,191.98

19.1 Capital Reserve

A) Capital Reserve includes:

a) Rs. 9,61,219.97 lakhs recognised on Consolidation and Reduction of Equity Share Capital of the Company on Jun 14, 2018 in terms of Hon'ble NCLT Order dated April 17, 2018.

b) Further on amalgamation of erstwhile Vedanta Star Limited ('VSL') with the company with effect from October 01, 2018:

i) Differential of Rs. 519.85 lakhs arising on cancellation of equity shares acquired by erstwhile VSL pursuant to the 'Exit Offer' equivalent to the face value of the Equity Shares; and

ii) Differential of Rs. 1,831.14 lakhs with respect to the cost of investment in the books of VSL and face value thereof were adjusted to Capital Reserve.

B) Capital Reserve on Amalgamation represents the differential of consideration paid i.e. equity shares issued with respect to net assets and reserves acquired consequent to amalgamation of erstwhile VSL with the company.

19.2 Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

19.3 Retained Earnings

Retained earnings represent the amount of accumulated earnings/losses of the company. This includes Other Comprehensive Income of (Rs. 1,195.56 lakhs) (March 31, 2025 (Rs.958.22 lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss.

19.4 Other Comprehensive Income

This includes gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note 19.3 above.

20 BORROWINGS

Particulars	Refer Note No.	As at March 31, 2026	As at March 31, 2025
<b>Secured Borrowings</b>			
(a) Term Loan from Banks	20.1(a), 20.5 and 20.6	99,639.81	1,41,010.12
(b) Term Loan from financial Institution	20.1(b), 20.5 and 20.6	15,463.38	-
		1,18,103.19	1,41,010.12
<b>Unsecured Borrowings</b>			
(a) Inter-Corporate Deposits from Holding Company	20.4, 20.6 and 39	1,13,136.60	8,195.20
(b) Term Loan from financial Institution	20.2, 20.3, 20.5 and 20.6	14,949.56	12,431.75
		1,28,086.16	20,626.95
Less: Disclosed under Current Maturity of Long Term Debt- Unsecured	23	(40,937.35)	(8,771.60)
Less: Disclosed under Current Maturity of Long Term Debt- Secured	23	(47,561.07)	(43,520.00)
		1,57,990.33	1,09,345.47



Mamish Chaudhary

*[Signature]*



Prabhat Rawar

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

20.1 Security

- a) Term Loan from banks is secured by:
- a) First ranking pari passu charge of Rs. 3,40,000.00 lakhs (outstanding as on March 31, 2026: Rs. 99,619.81 lakhs) by way of hypothecation on all Property, Plant and Equipments including intangible assets of the Borrower, including the bank accounts and the bank balances earmarked against the Interest Service Reserve Account and amounts lying therein;
- b) First ranking pari passu charge by deed of Hypothecation on November 28, 2018 and October 08, 2021 in favour of Vistra ITCL (India) Limited, security trustees by way of deposit of 1,993.35 acres and 264.45 acres respectively of title deed of mortgageable lands.
- c) Corporate Guarantee, in favour of the Security Trustee for the benefit of the Lenders in the form and substance satisfactory to the Security Trustee. These shall be collectively referred to as the "Security"; and
- d) Negative Pledge over shares of the company i.e. post merger held by the Holding Company, Guarantor (M/s Vedanta Limited i.e. the Holding Company) to hold 76% of the shares of the company and Non Disposal Undertaking of these shares in favour of the Security Trustee acting for the Lenders.
- b) Term Loan from financial institution of Rs. 20,000.00 lakhs (outstanding as on March 31, 2026 : Rs. 18,463.38 lakhs) is secured by:
- a) Sub servient charge by way of hypothecation of Property, Plant and Equipments;
- b) Corporate Guarantee of Guarantor (M/s Vedanta Limited i.e. the Holding Company) backed by Board Resolution.
- 20.2 Term Loan from financial institutions of Rs. 22,500.00 lakhs (outstanding as on March 31, 2026: Rs.14,949.56 lakhs) are backed by unconditional and irrevocable Corporate guarantee of Guarantor (M/s Vedanta Limited i.e. the Holding Company) backed by Board Resolution.
- 20.3 In respect of Term Loan from financial institution of Rs. 7,500.00 lakhs (outstanding as on March 31, 2026: Rs. 5,975.47 lakhs) there is a put option available to the financial institution which can be exercised by providing prior written notice of 30 days to the Company.
- 20.4 During the period, certain advances aggregating to Rs. 35,000.00 lakhs lying outstanding and considering the present liquidity for repayment on non-fulfilment of supply in terms of the advance agreement has been modified and converted into long-term unsecured loan repayable in eight equal quarterly installments after a moratorium of one year.
- 20.5 The interest rate for the above loans ranges from 6.69% to 10.25%.
- 20.6 Repayment terms:

Year	Term Loan from Bank	Term Loan from Financial Institution	Inter-Corporate Deposit from Holding Company
2026-2027	44,186.67	14,607.34	29,387.35
2027-2028	44,778.33	8,185.97	56,253.10
2028-2029	10,674.80	4,625.00	27,496.15
2029-2030	-	5,994.63	-

20.7 The amount disclosed herein above represents the amortised cost in accordance with Ind AS 109 "Financial Instruments".

21 OTHER FINANCIAL LIABILITIES

Particulars	Refer Note No.	As at March 31, 2026	As at March 31, 2025
Interest payable	39	4,264.67	-
		4,264.67	-

21.1 Interest on term loan from the Holding Company is repayable along with the last installment i.e. in August 2028.

22 PROVISIONS

Particulars	Refer Note No.	As at March 31, 2026	As at March 31, 2025
(a) Employee Benefits	33.1	4,172.09	1,973.62
(b) Compliance Cost for EC	22.1	20,556.58	20,556.58
(c) Site Restoration for Mines	22.2	4,166.16	251.86
		28,894.83	22,782.06

22.1 Provision made in earlier year for compliance cost for EC represents cost to be incurred being the estimated cost of compensation etc., for forest area diversion, wild life development and green belt conservation and other concerns raised on public hearing for granting EC based on the report of EIA consultant appointed in terms of TOR as stated in Note 45.

22.2 Provision for site restoration for mines relates to compensatory afforestation, mine closure and rehabilitation obligations. These amounts have been computed based on the Mining Plan submitted to the authority and will be incurred on closure of the mines over a period of 1 to 5 years. During the year, based on the approval of Mining Plan in respect of one of the mines, the company has re-assessed such cost to be incurred in terms of the Mining Regulation taking in account evaluation carried out by an Independent Professional along with cost as approved in the Mining Plan and impact thereof as stated herein below in Note 22.3 has been recognised.

22.3 Movement of the Provisions are as follows:

Particulars	Provision for Compliance Cost for EC		Provision for Site Restoration for Mines	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
At the beginning of the year				
Recognised during the year	20,556.58	20,556.58	251.86	307.46
Finance cost unwinding	-	-	3,884.01	-
Written back/paid during the year	-	-	30.29	24.92
At the end of the year	20,556.58	20,556.58	4,166.16	251.86



Munish Chatterjee

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P. Lalad Kumar



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

23 BORROWINGS

Particulars	Refer Note No.	As at	
		March 31, 2026	March 31, 2025
<b>Secured Borrowings</b>			
Working Capital facilities from banks	23.3	599.80	6,888.62
Current maturities of long-term debts- Secured	20	47,561.67	43,520.00
<b>Unsecured Borrowings</b>			
Inter-Corporate Deposits from Holding Company	23.2 and 39	65,653.54	49,286.99
Current maturities of long-term debts- Unsecured	20	40,637.35	8,771.60
		<u>1,94,452.36</u>	<u>1,08,467.21</u>

- 23.1 The company has availed borrowings (both fund and non-fund based) from banks on the basis of security of current assets. The quarterly return or statements of current assets filed in this respect are in agreement with the books of accounts.
- 23.2 The company has obtained various short term loans from the Holding Company to meet its funding requirement pending compliance with respect to CTO and have assurance from the Holding Company to obtain further assistance as and when required in terms of support letter provided by them. Such facilities have been obtained in form of fixed interest bearing unsecured loan and has accordingly been reflected.
- 23.3 Also refer Note no. 44 in respect of security against working capital facilities

24 TRADE PAYABLES

Particulars	Refer Note No.	As at	
		March 31, 2026	March 31, 2025
<b>Payable for goods and services</b>			
Due to Micro and Small Enterprises	24.1	10,181.12	9,867.63
Others		63,429.64	69,033.74
		<u>73,610.76</u>	<u>78,901.37</u>

24.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars

	As at	As at
	March 31, 2026	March 31, 2025
a) Principal amount remaining unpaid but not due as at year end	14,807.64	9,867.63
b) Interest amount remaining unpaid but not due as at year end	-	-
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
e) Interest accrued and remaining unpaid as at year end	77.04	287.33
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

24.2 Trade Payable ageing schedule based on the outstanding based on the period from date of transaction are as follows:

Particulars	As at	
	March 31, 2026	March 31, 2025
<b>Undisputed - Non MSME</b>		
Less than 1 year	60,196.95	69,438.41
1-2 years	2,938.15	5,180.19
2-3 years	251.75	4,021.67
More than 3 years	42.79	393.47
	<u>63,429.64</u>	<u>69,033.74</u>
<b>Undisputed - MSME</b>		
Less than 1 year	9,923.18	9,813.74
1-2 years	197.98	233.12
2-3 years	48.66	16.98
More than 3 years	11.30	3.79
	<u>10,181.12</u>	<u>9,867.63</u>
	<u>73,610.76</u>	<u>78,901.37</u>



Mansh Chaudhary

*[Signature]*

Prakalad Bhat



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

24.3 Unbilled amount included above being less than 1 year are as follows:

Particulars

Undisputed - Non MSME  
Disputed - Non MSME  
Undisputed - MSME  
Disputed - Non MSME

(Rs. in lakhs)

	As at March 31, 2026	As at March 31, 2025
	11,980.89	22,444.16
	1,993.74	2,845.90
	-	-
	13,974.63	25,290.06

25 OTHER FINANCIAL LIABILITIES

Particulars

(a) Interest accrued but not due  
(b) Earnest Money Deposits/ Security Deposit Customer  
(c) Capital Vendors  
(d) Derivative Instrument Liability at fair value through profit and loss (net)  
(e) Others Payables  
- Employees payable  
- Bid Premium for Iron Ore  
- Interest on Bid Premium  
- Others: CG commission and others

Refer Note No.  
20, 23 and 39

47(d)(iii)

39

	As at March 31, 2026	As at March 31, 2025
	17,843.54	14,078.41
	2,323.41	1,954.72
	32,613.75	18,802.21
	-	265.95
	2,376.14	2,132.06
	29,130.76	86,296.42
	-	4,357.20
	3,102.54	2,768.69
	87,390.14	1,30,655.66

26 OTHER CURRENT LIABILITIES

Particulars

(a) Advance from customers  
(b) Statutory Dues Payables  
(Includes Provident Fund, GST, Tax deducted at source etc.)

Refer Note No.  
20.4, 26.1 and 39

	As at March 31, 2026	As at March 31, 2025
	95,247.96	84,844.75
	6,891.15	9,561.88
	1,02,139.11	94,406.61

26.1 Includes Interest bearing advance of Rs. 67,523.81 lakhs (March 31, 2025: Rs. 62,028.68 lakhs) received from holding company in terms of Agreement for Sale of Iron Ore to be adjusted against shipment made thereagainst or on expiration of the contract along with interest at SBI 1Y MCLR+0.20 calculated on the monthly outstanding balance. Also refer Note 20.4.

27 PROVISIONS

Particulars

(a) Employee Benefits  
(b) Electricity duty

Refer Note No.

33.1

27.1

	As at March 31, 2026	As at March 31, 2025
	354.61	171.31
	7,090.35	-
	7,444.96	171.31

27.1 The company had filed writ petitions before Hon'ble High Court of Jharkhand stating that amendment made pursuant to Jharkhand Electricity Duty (Amendment) Act, 2021 for enhancing the duty both on the electricity procured and from captive power plant are ultra vires the provision of Bihar Electricity Duty Act, 1948 as well as Articles 14, 19(1)(g) and 265 of the Constitution of India. The Court vide order dated January 05, 2026 has upheld such levy in respect of captive power plant generation which has been challenged by the company and the matter is pending before Hon'ble Supreme Court of India. Pending final decision, the differential amount as matter of abundant caution has without prejudice to the company's right in this respect, has been provided for during the year. This includes Rs. 5,634.69 lakhs pertaining to earlier years which has been included under Exceptional Items.

27.2 Movement of the Provisions are as follows:

Particulars

At the beginning of the year  
Recognised during the year  
Written back/paid during the year  
At the end of the year

	Provision against Electricity duty	
	For the year ended March 31, 2026	For the year ended March 31, 2025
	7,090.35	-
	-	-
	7,090.35	-



*[Handwritten Signature]*

Mansi Chatterjee  
Partner



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

28 REVENUE FROM OPERATIONS		(Rs. in lakhs)	
Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
<b>Sale of Products:</b>			
Finished and Process Stock:			
- Export Sales		1,562.35	35,922.52
- Domestic Sales		7,28,792.52	7,56,841.40
		<u>7,30,354.87</u>	<u>7,92,763.92</u>

28.1 Disclosure as per Ind AS 115:

Disaggregate Revenue

The break up with respect to the revenue stream of the Company are as follows:

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025	For the Year ended March 31, 2026	For the Year ended March 31, 2025
	Government		Non-Government	
<b>Within India</b>				
- Iron and Steel	19,767.15	29,161.50	5,48,060.67	5,30,027.76
- DI pipes	917.63	1,203.33	40,733.11	1,14,365.61
- Iron Ore	-	-	1,19,313.98	82,083.20
- Others	-	-	14,158.51	13,851.64
<b>Outside India</b>				
- Iron and Steel	-	-	1,034.84	3,899.74
- Pig Iron	-	-	482.41	2,531.64
- DI pipes	-	-	45.10	-
- Iron Ore	-	-	-	29,491.14
	<u>20,684.78</u>	<u>30,364.83</u>	<u>7,23,828.60</u>	<u>7,76,250.73</u>

28.2 Revenue from sale of products for the year ended March 31, 2026 includes revenue from contracts with customers of Rs. 84,617.15 lakhs (March 31, 2025: Rs. 71,585.89 lakhs) based on provisional pricing on mark to market basis as notified till the year end. This includes pricing adjustments (net) of Rs. 2,469.61 Lakhs (March 31, 2025: Rs. 2,316.74 lakhs) as at the year end arising on account of mark to market basis pending final settlement.

28.3 Majority of the Company's sales are against advance or are against letters of credit/ cash against documents/ guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within three months. As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient in terms of Ind AS 115 and has not given the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date.

29 OTHER OPERATING INCOME

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Scrap/ By-products and Others	28.1	14,158.51	13,851.64
Incentive on Exports		11.47	74.60
Sundry Credit balances/Provision no longer required written back	29.1	2,992.72	8,017.53
		<u>17,162.70</u>	<u>21,943.77</u>

29.1 Includes old debit balances of certain suppliers/service providers/ Trade Receivables being no longer payable/recoverable have been written off. Further, it includes differences arising on reconciliation of ledger balances with party balances along with identification of error in posting.

30 OTHER INCOME

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
(a) Interest Income on Fixed deposits, Security Deposits, overdue debts etc. measured at amortised cost		2,157.71	2,931.37
(b) Interest income on financial assets measured at amortised cost		6.11	4.03
(c) Net Gain on foreign exchange fluctuation		-	234.37
(d) Net Gain on Derivative Instruments on fair valuation through profit and loss		664.86	14.75
(e) Net Gain on Current investments at Fair Value through profit and loss		182.48	66.84
(f) Net Gain on Financial Liabilities not at Fair Value through Profit and Loss		1,068.13	-
(g) Profit on finance lease of Property, Plant and Equipment	30.1	-	8,763.99
(h) Miscellaneous Income		1,439.07	1,487.47
		<u>5,918.36</u>	<u>13,502.82</u>

30.1 840 TPD Air Separation Unit had been given on lease on a long term basis at an upfront consideration of Rs. 20,000.00 lakhs. This being a finance lease in terms of Ind AS 116, the said assets having written down value of Rs. 11,236.01 lakhs had been derecognised during the previous year resulting in a gain of Rs. 8,763.99 lakhs in that year.



Mamun Ghoshary

Ashraf  
Rawat

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

31 COST OF MATERIALS CONSUMED

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Raw material and other materials consumed		20,467.99	20,235.95
Inventory at the beginning of the year		3,99,737.27	4,18,195.06
Add: Purchases and other related costs		23,221.87	20,467.99
Less: Inventory at the end of the year		3,96,992.50	4,17,963.02

31.1 Based on the physical verification of Inventories carried out by an independent professionals and on reconciliation with book stock, the variation thereof (Increase/(Decrease)) have been adjusted to the Cost of Material consumed/ Changes in Inventories of Finished/ Process Stock and Stock-in-Trade. This also includes adjustments arising on heap clearances of material:

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Cost of Material consumed			
Increase/(Decrease) in Stock of Raw Material		(4,309.21)	(4,131.18)
Changes in Inventories of Finished/ Process Stock and Stock-in-Trade		-	(12.03)
Increase/(Decrease) in Stock of Finished Goods		(262.42)	(248.71)
Increase/(Decrease) in Stock of Process Stock		2,140.78	250.66
Increase/(Decrease) in Stock of Scrap/ By-products		(2,429.85)	(4,141.26)

31.2 Cost of material consumed represents procurement from external sources and cost incurred for own generation/raising etc. remain included under respective head of accounts.

32 CHANGES IN INVENTORIES OF FINISHED/ PROCESS STOCK AND STOCK-IN-TRADE

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
(i) Inventories at the end of the year			
(a) Finished Goods		2,479.99	4,325.38
(b) Process Stock		34,917.73	46,596.42
(c) Scrap / By-products		5,923.49	10,805.73
(ii) Inventories at the beginning of the year		43,321.21	61,727.63
(a) Finished Goods		4,325.38	3,451.72
(b) Process Stock		46,596.42	52,191.87
(c) Scrap / By-products		10,805.73	10,315.19
		61,727.53	65,558.78
		18,406.32	4,231.25

31.1 Also Refer Note no. 31.1 for adjustments carried out on reconciliation of physical stock with book stock.

31.2 Disclosures as required under Ind AS 2 "Inventories" are as follows:

	For the Year ended March 31, 2026	For the Year ended March 31, 2025
a) Reversal/ Write-down in value of Inventories	-	359.43
b) Inventories recognised as expense	7,29,500.60	7,71,676.49

33 EMPLOYEE BENEFITS EXPENSE

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
(a) Salaries and wages		21,801.12	21,209.82
(b) Contribution to Provident and Other Funds		1,447.37	1,144.55
(c) Staff welfare expenses		1,222.30	1,143.01
(d) Less: Transferred to Capital Work in Progress		(937.93)	(913.57)
		23,532.86	22,583.81



Manshi Chaudhary

Prakhalat  
Roual

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

33.1 POST RETIREMENT EMPLOYEE BENEFITS

The disclosures required under Ind AS 19 on "Employee Benefits", are given below:

(i) Defined Contribution Plans

The Company makes contribution to Provident Fund, Superannuation and Pension Scheme for eligible employees. Under the schemes, the Company is required to contribute a specified percentage/ fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority. Contributions towards provident funds are recognised as an expense for the year. Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees on retirement, death or cessation of employment.

Contributions to Defined Contribution Plans, recognized for the year are as under:

Particulars	For the Year ended	For the Year ended
	March 31, 2026	March 31, 2025
Employer's Contribution to Provident Fund	562.94	506.70
Employer's Contribution to Pension Scheme	252.38	221.25
Employer's Contribution to Superannuation Scheme	32.41	47.53
Employer's Contribution to National Pension Scheme	148.54	86.66

(ii) Post Employment Defined Benefit Plans:

The Post Employment defined benefit scheme are managed by TATA AIA is a defined benefit plan. The present value of obligation is determined based on independent actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Details of such fund are as follows:

Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan is as per the Payment of Gratuity Act, 1972, covering the eligible employees and is administered through certain gratuity fund trusts. Such gratuity funds, whose investments are managed by an insurer, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount captured on the basis of respective employees' salary and tenure of employment. Vesting occurs upon completion of five years of service. The amount of gratuity payable is the employees last drawn basic salary per month computed proportionately for 15 days multiplied for the number of calculated years of service.

The following tables set forth the particulars in respect of aforesaid Defined Benefit plans of the Company for the year ended March 31, 2025 and corresponding figures for the previous year:

(a) Change in the present value of the defined benefit obligation:

	Gratuity (funded)	
	As at	As at
	March 31, 2026	March 31, 2025
Liability at the beginning of the year	2,618.85	2,143.15
Interest Cost	184.11	152.16
Current Service Cost	397.21	294.60
Past Service Cost	1,091.15	-
Benefits paid	(184.06)	(223.81)
Remeasurements - Due to Financial Assumptions	(111.08)	20.18
Remeasurements - Due to Experience Adjustments	474.95	232.59
Liability at the end of the year	4,471.13	2,618.85

(b) Changes in the Fair Value of Plan Asset

	As at	As at
	March 31, 2026	March 31, 2025
Fair value of Plan Assets at the beginning of the year	1,514.35	1,399.07
Expected return on Plan Assets	106.46	99.33
Contributions by the Company	-	-
Benefits paid	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	(0.55)	15.95
Fair value of Plan Assets at the end of the year	1,619.85	1,514.35

(c) Amount recognised in Balance Sheet

	As at	As at
	March 31, 2026	March 31, 2025
Liability at the end of the year	4,471.13	2,618.85
Fair value of Plan Assets at the end of the year	1,619.85	1,514.35
Amount recognised in the Balance Sheet	2,851.28	1,104.50



Manish Chaudhary

12/4/2026  
20/02/26

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

	(Rs. in lakhs)	
	For the Year ended March 31, 2026	For the Year ended March 31, 2025
<b>(d) Components of Defined Benefit Cost</b>		
Current Service Cost	397.21	294.60
Past Service Cost	1,091.15	-
Interest Cost	184.06	152.16
Expected return on plan assets	(106.46)	(99.33)
Total Defined benefit recognised in Statement of Profit & Loss Account	<u>1,565.96</u>	<u>347.43</u>
<b>(e) Remeasurements recognised in Other Comprehensive Income</b>		
Remeasurements - Due to Financial Assumptions	(111.08)	20.18
Remeasurements - Due to Experience Adjustments	474.95	232.59
Remeasurements- Return on Assets	0.96	(15.95)
Remeasurements recognised in Other Comprehensive Income	<u>364.83</u>	<u>236.80</u>
<b>(f) Balance Sheet Reconciliation</b>		
	As at March 31, 2026	As at March 31, 2025
Opening Net Liability	1,104.50	744.08
Defined Benefit Cost included in Statement of Profit and Loss Account	1,565.96	347.43
Remeasurements recognised in OCI	364.83	236.80
Employers Contribution	-	-
Benefit Paid Directly by Enterprise	(134.06)	(223.61)
Amount recognised in Balance Sheet	<u>2,851.23</u>	<u>1,104.50</u>
<b>(g) Percentage allocation of plan assets in respect of fund managed by insurer is as follows:</b>		
	As at March 31, 2026	As at March 31, 2025
Fund managed by Insurer	100.00%	100.00%
<b>(h) The Principal actuarial assumptions as at the Balance Sheet date are set out as below:</b>		
	As at March 31, 2026	As at March 31, 2025
<b>Summary of Financial Assumptions</b>		
Discount Rate	7.26%	7.03%
Future Salary Increase	8.00%	8.00%
Salary Escalation- After Five Years	8.00%	8.00%
Expected Return on Plan Assets	7.26%	7.03%
<b>Summary of Demographic Assumptions</b>		
Mortality Rate [as % of IALM (2012-14) (Mod.) Ult. Mortality Table]	100.00%	100.00%
Disability Table (as % of above mortality rate)	5.00%	5.00%
Withdrawal Rate	1% to 8%	1% to 8%
Retirement Age	60/58 Years	60/58 Years
Average Future Service	22.58	22.28
Weighted Average Duration	12.83	13.00

Notes:

- i) Assumptions relating to future salary increased, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.
- ii) The Company expects to contribute Rs. 683.45 Lakhs to Gratuity fund in 2026-27.

Sensitivity Analysis

Particulars	Change in Assumption	Gratuity	Gratuity
		As at March 31, 2026	As at March 31, 2025
<b>Changes in Defined Benefit Obligations:</b>			
Salary Escalation	+0.50%	244.44	149.99
Salary Escalation	(0.50%)	(227.47)	(139.22)
Discount Rates	+0.50%	(227.95)	(139.80)
Discount Rates	(0.50%)	247.38	152.14



Manish Ghoshary  
Prakalash Anand

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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026**

The above sensitivity analysis is based on a change in assumption while holding all other assumption constant. In practice, this is unlikely to occur, and changes in some of the assumption may be co-related. While calculating the sensitivity of the defined benefit obligations with respect to the significant actuarial assumptions the same method (projected unit credit method) has been applied. The methods and type of assumption used for the sensitivity analysis have not been changed as compared to the prior period.

(Rs. in lakhs)

Estimate of expected benefit payments (in absolute terms i.e. undiscounted)

Particulars	As at March 31, 2026	As at March 31, 2025
Year 1	222.33	112.70
Year 2	166.60	77.58
Year 3	154.52	78.41
Year 4	217.05	90.17
Year 5	214.17	89.64
Subsequent Years (Remaining Amount)	3,495.46	1,694.66

**Other Long Term Employee benefits  
Compensated Absences**

The obligation for compensated absences is recognised in the same manner as gratuity except rereasurement benefit which is treated as part of other comprehensive income. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2026 and March 31, 2025 are given below:

Particulars	As at March 31, 2026	As at March 31, 2025
Privileged Leave	1,534.19	904.19
Sick Leave	141.28	136.24
Average number of people employed	1,690	1,807

**Risk analysis**

Through its defined benefit plans, the Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management's estimation of the impact of these risks are as follows:

**Investment risk**

The Gratuity plan is funded with Tata AIA Limited and the company does not have any liberty to manage the funds provided to them. The present value of the defined benefit plan liability is calculated using a discount rate determined with reference to the rate applicable for Government of India bonds. If the return on plan assets is below this rate, it will create a plan deficit.

**Interest risk**

A decrease in the interest rate on plan assets will increase the plan liability.

**Longevity risk / Life expectancy**

The present value of the defined benefit plan liability is calculated with reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

**Salary growth risk**

The present value of the defined benefit plan liability is calculated with reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

**34 FINANCE COSTS**

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
(a) Interest Expense on financial liabilities not measured at FVTPL		47,156.46	51,294.84
(b) Other Borrowing Cost (i.e. LC charges, Suppliers Credit, Guarantee Commission etc.)	34.2	2,143.22	1,723.60
(c) Loss: Transferred to Capital Work In Progress	34.1	(13,266.35)	(10,565.02)
		36,093.32	42,453.42

34.1 The company has capitalised interest on general funds borrowed and used for the purpose of obtaining a qualifying asset by applying a capitalisation rate of 9.83% (March 31, 2025 : 10.17%) to the expenditures on the said Property, Plant and Equipment as required in terms of Ind AS 23 "Borrowing Costs".

34.2 Interest Expense includes Rs. 1,134.36 lakhs (March 31, 2025: Rs. 360.34 lakhs) towards lease obligations of Right of Use Assets (Refer Note 40).

**35 DEPRECIATION AND AMORTISATION EXPENSE**

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
(a) Depreciation on Tangible Assets	6	41,465.40	38,804.35
(a) Amortisation of Intangible Assets	7	2,957.52	5,523.15
		44,422.92	44,387.50



*Manish Ghoshary*

*Prateek Biswas*

*[Signature]*



NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. In lakhs)

36 OTHER EXPENSES

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
(a) Consumption of Stores and Spares		18,404.73	20,897.51
(b) Power and Fuel		30,135.04	32,444.35
(c) Freight and Forwarding Charges		12,357.38	30,318.67
(d) Rent		116.97	1,911.26
(e) Rates and taxes		938.71	1,218.85
(f) Insurance		2,168.97	2,109.46
(g) Repairs to Plant and Equipment		5,305.31	5,339.27
(h) Repairs to Building and others		818.93	859.05
(i) Operation and Maintenance expenses		37,949.95	39,801.04
(j) Machine Hire Charges	36.5	894.64	477.58
(k) Royalty, Bid Premium and other Mining fees		1,51,386.72	1,58,805.43
(l) Brand Fees	36.1	8,989.35	9,998.51
(m) Material Handling Expenses	36.2	3,229.70	4,836.97
(n) Listing and Registrar Expenses		102.94	59.48
(o) Security Expenses		2,511.33	2,343.28
(p) Advertisement and Business Promotion Expenses		110.55	182.08
(q) Travelling and Conveyance		1,415.74	2,155.29
(r) Legal and Professional Fees		3,515.26	3,509.95
(s) Payment to Auditors		75.65	71.02
(t) Net (gain)/loss on foreign exchange fluctuation	36.3	1,925.56	-
(u) Loss on Sale/Discard of Fixed Assets (Net)		443.94	2,293.36
(v) Selling and Distribution Expenses		1.38	49.10
(w) Packing Materials consumed and packing charges		1,293.38	1,881.02
(x) Impairment Allowance for Doubtful Debt and Deposits		-	195.51
(y) Provision for Doubtful Advance		88.83	315.94
(z) Sundry Balances written-off		659.64	2,165.48
(aa) Sitting Fees and Commission to Directors		58.99	49.80
(ab) Other Miscellaneous Expenses	36.4	7,041.85	6,342.63
		<u>2,91,941.57</u>	<u>3,26,431.89</u>

36.1 Royalty, Bid Premium and other mining fees includes Rs. 44,778.52 lakhs (March 31, 2025: Rs.30,997.34 lakhs) provided on provisional basis based on last notified Iron Ore prices, pending publication of such prices by IBM.

36.2 The company on January 24, 2024 has entered into Brand License and Strategic Services Agreement with Vedanta Resources Investment Limited whereby it has agreed to pay 1.5% of the Turnover as "Brand Fee". In accordance with the said agreement, the company has paid advance of Rs.9,364.75 lakhs (March 31, 2025: Rs. 13,985.22 lakhs) against which Rs. 8,989.35 lakhs (March 31, 2025: Rs. 9,998.51 lakhs) has been recognised as expense.

36.3 Payment to Auditors

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
(a) Statutory Audit Fee	35.00	35.00
(b) Certification etc.	33.00	30.50
(c) Out of Pocket Expenses	7.65	5.52
	<u>75.65</u>	<u>71.02</u>

36.4 The Board of Director's based on the recommendation of the Nomination and Remuneration Committee Meeting have approved commission amounting to Rs. 40.33 Lakhs to its Independent Directors which is subject to shareholder's approval in the ensuing Annual General Meeting.

36.5 Operation and Maintenance expenses represent costs incurred for services provided by third party service providers for Operation and Maintenance of certain production plants and mining operations.

37 EXCEPTIONAL ITEMS

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Provision against electricity duty			
Electricity Duty Recoverable	37.1	(5,634.69)	-
Provision against Past Service Cost	37.2	1,576.02	-
	37.3	(1,483.42)	-
		<u>(5,542.09)</u>	<u>-</u>

37 Provision made for electricity duty for earlier years amounting to Rs. 5,634.69 (March 31, 2025: Nil) lakhs on account of captive power plant based on the order of Hon'ble High Court of Jharkhand as detailed in Note 27.1.



Mansh Ghoshary

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Praval

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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026**

(Rs. in Lakhs)

37 Recognition of the amount recoverable from Damodar Valley Corporation amounting to Rs. 1,576.02 lakhs (March 31, 2025: Nil) against Electricity duty collected by them in earlier years pursuant to Jharkhand Electricity Duty (Amendment) Act, 2021 which vide order dated January 05, 2026 has been held ultra vires of Bihar Electricity Duty Act, 1948 by the Hon'ble High Court of Jharkhand as detailed in Note 17.3(c).

37 The Government of India vide notification dated November 21, 2025 has notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as 'the Labour Code') consolidating and replacing the then existing multiple labour legislations in the country. In accordance with the requirements of Ind AS 19, 'Employee Benefits', changes to employee benefit resulting from legislative amendments constitute a plan amendment, necessitating the immediate recognition of any variation in the costs upon such notification. Consequently, the potential impact on the employee benefit and expenses on account of past service costs on account of Gratuity and Leave Encashment amounting to Rs. 1,433.42 lakhs as evaluated and determined by an independent actuary or otherwise as estimated has been recognised. Further, implications of Labour Code on employees' and other costs are currently under evaluation and also the underlying rules thereof are yet to be notified. The developments and further clarifications in this respect will continue to be monitored and consequential further adjustments, the amount of which as per the management's estimate is not expected to be material will be given effect to on determination in subsequent period.

**38 COMPONENTS OF OTHER COMPREHENSIVE INCOME**

Particulars	Refer Note No.	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of Defined benefit plans	33.1	(364.83)	(236.80)
		<u>(364.83)</u>	<u>(236.80)</u>

**39 RELATED PARTY TRANSACTIONS**

Related party disclosure as identified by the management in accordance with the Ind AS 24 on 'Related Party Disclosures' are as follows:

Names of the related parties and description of relationships:

A	Company	Relationship
	Volcan Investment Limited (VIL)	Ultimate Holding Company
	Vedanta Limited (VL)	Holding Company
B	Key Management personnel	Designation
	Arun Misra	Non-Executive Director
	Subodh Kumar Rai	Director
	Poojamma Sumathi	Director
	Thomas Mathew Thumpeparambil	Director
	Agnivesh Agarwal	Non-Executive Director (Upto January 07, 2026)
	Ashish Kumar Gupta	Whole Time Director and Chief Executive Officer (Upto January 23, 2025)
	Ravish Sharma	Whole Time Director and Chief Executive Officer (Appointment w.e.f. January 24, 2025)

C Entities where KMP or their close member have significant influence or control or Group Enterprises or Companies under common control and with whom transaction have taken place during the year

- Bharat Aluminium Company Limited (BALCO)
- Sterlite Power Transmission Limited (SPTL)
- Vizag General Cargo Berth Private Limited (VGCBP)
- Maritime Ventures Private Limited (MVPL)
- Vedanta Resources Limited (VRL)
- Vedanta Resources Investments Limited (VRII)
- Takwandi Saboo Power Limited (TSPL)
- Hindustan Zinc Limited (HZL)
- Janhit Electoral Trust (JET)
- Ferro Alloy Corporation Limited (FACL)
- MALCO Energy Limited (Earlier Vedanta Aluminium Limited) (MEL)
- Sterlite Technologies Limited (STL)
- Minova Runaya Private Limited (MRPL)
- Runaya Refining LLP (Runaya)
- Sesa Mining Corporation Limited (SMCL)
- STL Digital Limited (SDL)
- Sesa Resources Limited (SRL)



Mamun Choudhary

*[Handwritten Signature]*

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

D Related party transaction:

Nature of Transaction	Holding Company- VL	
	2025-26	2024-25
Recovery of Expenses	40.20	68.42
Reimbursement of Expenses	866.03	669.08
Purchase of materials	221.69	154.09
Interest Expenses	16,299.13	9,705.83
Guarantee Commission	498.46	579.45
Corporate Cost Allocation and reimbursement	3,486.04	2,472.90
Advance received against Sale of Materials	1,18,231.02	71,372.00
Contribution towards ESOP Scheme	1,890.93	-
Sale of materials	42,217.86	30,183.45
<b>Closing balance as at March 31</b>		
Inter Corporate Deposit Payable	-	-
Trade Payables	1,78,700.14	57,482.19
Reimbursement of Expenses Payable	15,454.68	11,375.51
	-	6.06
Recovery of Expenses Receivable	-	5.18
Advance from Customer	-	52,029.68
Guarantee Commission payable	67,523.82	2,135.30
Corporate Guarantee given against borrowings	2,623.79	2,16,123.19
Interest Payable	1,85,818.13	12,434.03
	21,721.60	-

Nature of Transaction	Key Management Personnel		Entities where KMP or their close member have significant influence or control and Companies under Common control or Group Enterprises	
	2025-26	2024-25	2025-26	2024-25
<b>Sale of goods</b>				
SPTL	-	-	-	556.14
MRPL	-	-	455.65	761.10
<b>Sale of assets</b>				
FACL	-	-	-	0.04
<b>Recovery of Expenses</b>				
FACL	-	-	0.41	1.30
HZL	-	-	-	16.84
BACL	-	-	6.52	1.30
MEL	-	-	-	38.27
TSPL	-	-	-	1.30
VGCBPL	-	-	-	1.30
SDL	-	-	0.03	-
<b>Reimbursement of Expenses</b>				
BACL	-	-	0.82	1.13
FACL	-	-	-	4.01
HZL	-	-	39.58	15.18
SDL	-	-	0.89	1.94
TSPL	-	-	2.89	-
VGCBPL	-	-	0.31	-
<b>Purchase of Materials/Services Received</b>				
SDL	-	-	1,871.86	894.24
FACL	-	-	894.55	880.74
Runaya	-	-	743.18	17.03
<b>Brand Fees</b>				
VRIL	-	-	0,689.86	9,998.51
<b>Interest Received</b>				
SPTL	-	-	-	13.15
<b>Ramuneration</b>				
Ravish Sharma	131.41	15.65	-	-
Ashish Gupta	-	320.91	-	-
<b>Director sitting fees and comission</b>				
Subodh Kumar Rai	22.20	20.45	-	-
Agnivosh Agarwal	11.43	8.70	-	-
Thomas Mathew Thumpeparambil	22.95	20.95	-	-



Manish Chatterjee  
 Prokash Kumar  
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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

Nature of Transaction	(Rs. in lakhs)			
	Key Management Personnel		Entities where KMP or their close member have significant influence or control and Companies under Common control or Group Enterprises	
	2025-26	2024-25	2025-26	2024-25
Closing balance as at March 31				
Remuneration Payable				
Ashish Gupta	-	9.73	-	-
Director Comission Payable				
Subodh Kumar Rai	14.70	14.70	-	-
Thomas Mathew Thumpeparambil	14.70	14.70	-	-
Agriyesh Aganwal	10.93	8.40	-	-
Trade Payable				
FACL	-	-	-	-
SDL	-	-	46.53	91.95
SEL (Earlier SPTL)	-	-	209.85	358.14
MVPL	-	-	-	8.48
BACL	-	-	41.24	41.24
Runaya	-	-	-	1.02
HZL	-	-	167.79	-
Advances Given			1.11	-
VRIL	-	-	-	-
Trade Receivable			4,327.97	3,986.72
HZL	-	-	-	-
VGCBPL	-	-	-	4.57
MRPL	-	-	5.03	5.37
TSPL	-	-	-	0.16
MEL	-	-	-	1.40
			101.57	101.57

E Compensation of Key management personnel

The remuneration of Whotel Time Director (WTD) and other key management personnel during the year was as follows:

Particulars	Year ended March 31, 2026			Year ended March 31, 2025		
	WTD	Other Directors		WTD	Other Directors	
Short-term employment						
- Salary	115.54	-	115.54	292.38	-	292.38
- Perquisites	7.98	-	7.98	17.17	-	17.17
- Sitting fees and commission	-	56.58	56.58	-	50.10	50.10
Post-employment benefits	7.87	-	7.87	27.01	-	-
Total compensation	131.41	56.58	187.99	336.56	50.10	386.66

Notes:

- The above related party information is as identified by the management and relied upon by the auditor
- In respect of above parties, there is no provision for doubtful debts as on March 31, 2026 and no amount has been written back or written off during the year in respect of debts due from/ to them.
- Post-Employee benefits and other long term employee benefits have been disclosed based on retirement/resignation of services but does not include provision made on actuarial basis as the same is available for all the employees together.
- Terms and conditions of transactions with related parties  
All transactions are from related parties are made in ordinary course of business. For the year ended March 31 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

40 DISCLOSURE AS PER IND AS 116

i) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2026:

Particulars	Software	Land	Buildings	Equipment	Vehicle	Total
As at March 31, 2024	1,370.56	58,429.19	378.47	1,354.60	702.22	62,235.04
Addition	-	12,731.80	160.74	1,194.13	487.32	14,573.79
Adjustments	(10.41)	-	(26.49)	32.46	37.47	33.03
Depreciation	(312.54)	(2,376.85)	(221.07)	(809.90)	(544.99)	(4,265.65)
As at March 31, 2025	1,047.31	68,783.94	291.65	1,771.29	662.02	72,576.21
Addition	-	-	11.71	46,788.75	270.33	47,070.79
Adjustments	(11.55)	-	43.92	85.20	-	107.57
Depreciation	(204.83)	(3,454.11)	(89.61)	(1,550.85)	(12.11)	(5,291.51)
As at March 31, 2026	726.81	65,329.90	179.50	46,805.19	533.03	1,13,673.83



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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

ii) The following is the break-up of current and non-current lease liabilities:

Particulars

Current lease liabilities

Non-current lease liabilities

Total

As at	As at
March 31, 2026	March 31, 2025
38,612.67	30,336.51
37,740.22	2,370.91
76,352.89	32,707.42

iii) The following is the movement in lease liabilities:

Particulars

Opening

Additions

Finance cost accrued during the period

Adjustments against assets

Payment of lease liabilities

Closing

For the Year ended	For the Year ended
March 31, 2026	March 31, 2026
32,707.42	24,140.62
47,073.79	14,573.79
1,134.76	360.34
(65.13)	33.03
(4,437.35)	(6,400.36)
76,352.89	32,707.42

iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	For the Year ended	For the Year ended
	March 31, 2026	March 31, 2025
Not later than one year	38,612.67	30,562.31
Later than one year and not more than five years	37,740.22	2,255.59
Later than five years	-	1,140.91

v) Also refer Note no. 5.3 regarding lease liability being recognised pending execution of lease deed and Note 45 dealing with Environmental Clearance and approval for afforestation land.

vi) Further to above, the Company has certain operating lease arrangements for storage of material, office, transit houses, furniture and fixtures etc. for short-term leases. Expenditure incurred on account of rental payments under such leases during the year and recognized in the Profit and Loss account amounts to Rs. 116.97 lakhs (March 31, 2025: Rs. 1,911.26 lakhs).

vii) Refer Note 30.1 in respect of disclosure of finance lease executed by the company as a Lessor

41 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

A) CONTINGENT LIABILITIES

Particulars

a) Guarantees given by banks on behalf of the Company

b) Electricity Duty charged pursuant to Jharkhand Electricity Duty (Amendment) Act, 2021 17.3(c) and 37.2

c) Electricity Duty on Captive Power Plant pursuant to Jharkhand Electricity Duty (Amendment) Act, 2021 17.3(c) and 37.1

d) Demand raised in terms of Mine Development and Production Agreements (MDPA) entered with State Government for Iron Ore Mines (Refer Note (B) below)

e) Demand for upgradation of grade of iron ore from 53% to 55% in one stock at Nodidih Iron Ore Mine.

f) Demand for alleged excavation of iron ore fines from iron ore dumps of ex-lessee in violation of Rule 12 of Mineral Concession Rules, 2016.

g) Demand pertaining to non-payment of GST and non-reversal of ineligible input tax credit on certain items for Financial Year 2018-19 to Financial Year 22-23 and Financial Year 2018-19 and FY 2019-2020.

As at	As at
March 31, 2026	March 31, 2025
10.00	10.00
-	6,037.39
-	3,310.39
Not ascertainable	1,76,726.21
55.65	-
283.12	-
5,458.50	-
5,817.37	1,85,083.99

Notes:

In view of the management supported by legal opinion and various judicial pronouncements, the contention of the claimants in respect of statutory liability prior to June 04, 2018 are not tenable as per the Resolution Plan approved by Hon'ble NCLT and no outflow of fund with respect to these are expected. The Company's other pending litigations comprises of claims against the company and proceedings pending with Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements and does not expect any cash outflow in this respect.



Manish Choudhary

Prakash Rawat

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B) Nadidih Iron Ore and Manganese Block with Lease Area of 117.21 Hectares and Nadidih Iron ore Block with Lease Area of 74.50 Hectares in Odisha was allotted to the company on November 20, 2021. The Mine Development and Production Agreements (MDPA) entered into by the Company with respect to the above two Iron Ore Block obligates certain minimum production and despatch requirement for each year of the operations.

(i) The Company received demand notices for both the mines aggregating Rs. 1,70,780.61 lakhs towards penalty for shortfall in minimum despatch for the first year of the lease i.e. upto November 19, 2022 and Rs. 4,945.40 lakhs on provisional basis for subsequent quarters thereof from November 20, 2022 upto February 19, 2023. Pursuant to the Revision Application filed before Revisional Authority, Ministry of Mines, these demands have been set aside and remanded back to the State Government to pass a reasoned order afresh after due consideration of the representations made by the company and giving them opportunity to make their submissions on the matter.

(ii) Further, the company has received demand notices dated January 16, 2026 alleging a shortfall in despatch of Iron Ore by 2.43 Million Ton for the 4th year of the Annual Production Cycle ending on November 19, 2025 aggregating Rs. 1,25,537.61 lakhs towards penalty for such shortfall with respect to minimum production and despatch requirement in terms of MDPA.

In respect of shortfall of 2.00 Million Ton pertaining to Nadidih Iron ore Block, involving Rs. 1,05,489.59 lakhs access to 21.18 Million Ton reserves could not be made due to erstwhile lessee's old dump of the mining produced being kept over there and in absence of any direction by the State Government, for removal thereof inspite of several representations made by the company. A writ petition has been filed before the Hon'ble High Court of Orissa, Cuttack by the company and the said court vide its order dated September 24, 2025 has upheld the applicability of "force majeure," observing that the State Government had not taken the requisite action to remove the pre-existing dumped material obstructing mining operations.

In respect of the above demands, the company has challenged the same before the Revisional Authority, Ministry of Mines, Government of India, New Delhi which prima facie has accepted the company's contention and directed MDCC that transit passes pertaining to the mines should not be withheld, nevertheless also imposed a condition of depositing 25% of the amount of disputed demands while allowing the same. Aggrieved of the said order, the company has filed a writ petition before Hon'ble High Court of Orissa which has directed the Revisional Authority to dispose off the cases after giving an opportunity to the company for their contention on the matter. Accordingly, based on the direction of Hon'ble High Court, the Revisional Authority has set aside the demands and remanded these back to the State Government to pass a reasoned order afresh after due consideration of the representations made by the company and as such the same has not been given effect to these financial statements.

(iii) The Company has made repeated representations before the Directorate of Mines & Geology, Government of Odisha, requesting fixation of the Minimum Production & Despatch requirements specified under Schedule D of the MDPA for both the mines since no such quantity has been specified for 3rd Year onwards of the mining period in terms of the MDPA.

(iv) Pending further assessment and in absence of any stipulation of minimum production and despatch quantity for third year of Annual Production Cycle and onwards, the shortfall in respect of (i) and (ii) above requiring any provision in this respect as such is presently not determinable.

(v) Further, shortfall in respect of the 5th Annual Production Cycle covering the period of November 20, 2025 to November 19, 2026 is determined cumulatively for the entire period and considering the estimated raising during the remaining period, in view of the management no shortfall at the end of Annual Production Cycle is expected to arise.

C) CAPITAL AND OTHER COMMITMENTS

Particulars	As at March 31, 2025	As at March 31, 2025
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	9,886.50 In Foreign Currency	42,511.38 In Foreign Currency
(b) Forward Contract Outstanding		
In USD	57,69,908	2,37,91,411
In EURO	6,90,125	15,95,426
In JPY	2,70,18,800	-
D) The company has imported certain capital items etc., for the capital projects under progress as on March 31, 2026. These imports have been made under Manufacturing and Other Operations in Warehouse Regulations, 2019 ("MOOWR Scheme") notified by Central Board of Indirect taxes and Customs whereby customs duty becomes payable either on clearances of such items for domestic purposes or scraping thereof if no such clearance is made. As advised legally, the amount of duty with respect to these amounting to Rs. 26,104.42 lakhs will become determinable on happening of above stated events.		

42 Segment Information

(a) Description of segments and principal activities

The Company is engaged in the manufacture and supply of Wire rods, TMT bars, Ductile Iron (DI) Pipes and Billets, and also deals in Iron Ore, Pig Iron and iron and steel scrap products generated while manufacturing these products or otherwise in connection therewith. In term of Ind AS 108 "Operating Segment", the Company has one business segment i.e. Iron and Steel and related products and all other activities revolve around the said business.



Manish Ghoshdary

Prakad  
Kumar

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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026**

**(b) Geographical information**

(Rs. in lakhs)

The company is domiciled in India, however also sells its products outside India. Location wise split of the company's products as sold during the year are as follows:

Particulars	For the Year ended	For the Year ended
	March 31, 2026	March 31, 2025
<b>In India</b>		
- Iron and Steel	5,67,827.82	5,59,189.28
- DI pipes	41,650.74	1,15,568.94
- Iron Ore	1,19,313.96	82,083.20
- Others	14,158.51	13,851.64
<b>Outside India</b>		
- Iron and Steel	1,517.25	6,431.38
- DIP	45.10	-
- Iron Ore	-	28,491.14

(c) There are no single customer directly or indirectly from whom more than 10% of the revenue is derived.

**43 Calculation of Earning Per Share is as follows:**

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
a) Net Profit/ (Loss) for basic and diluted earnings per share as per Statement of Profit and Loss	(1,16,836.55)	(26,619.31)
Net Profit/ (Loss) for Basic and Diluted earnings per share	(1,16,836.55)	(26,619.31)
b) Weighted average number of equity shares for calculation of basic and diluted earnings per		
Number of equity shares outstanding as on March 31	1,84,90,30,224	1,84,90,30,224
Add: Movement in Equity Shares issued during the year	-	-
Number of equity shares outstanding	1,84,90,30,224	1,84,90,30,224
Weighted average number of equity shares considered for calculation of basic and diluted	1,84,90,30,224	1,84,90,30,224
c) Earnings per share (EPS) of Equity		
Share of Rs. 10/- each:		
Basic EPS (Rs.) (a/b)	(6.32)	(1.44)
Diluted EPS (Rs.) (a/b)	(6.32)	(1.44)

44. The Company has availed various fund and non-fund based working capital facilities from banks amounting to Rs.1,21,610.00 lakhs secured by First ranking pari passu charge by deed of Hypothecation executed in favour of Vistra ITCL (India) Limited, security trustees over the whole of the current assets of the company both present and future including stock of raw materials, stock-in-process, semi-finished goods, finished goods, stores and spares. Further secured by all book debts, amount outstanding, monies receivable, investments, claims and bills of the borrower and Letter of Comfort backed by Board Resolution from the Holding company.

45. (a) The Company had filed application for renewal of Consent to Operate (CTO) on August 24, 2017 which was denied by Jharkhand State Pollution Control Board (JSPCB) on August 23, 2018 and Ministry of Environment and Forest (MoEF) revoked the environmental clearance vide order dated September 20, 2018. On a writ petition filed by the company, the order of denial of CTO by JSPCB and Environmental Clearance (EC) by MoEF was stayed by Hon'ble High Court of Jharkhand and interim stay allowing the operations till next hearing on the matter was granted in favour of the company which was subsequently vacated by the said court. Aggrieved by the said order for vacation, the Company had filed a Special Leave Petition (SLP) before Hon'ble Supreme Court of India on September 22, 2020 and the Hon'ble Supreme Court while allowing the said stay has directed that the operation of the steel plant shall not be interfered on the ground of want of EC, FC, CTE or CTO.

In respect of company's application for obtaining EC from MoEF, MoEF vide its letter dated February 02, 2022 had deferred the grant of EC till Forest Clearance (FC) Stage-II is granted to the company. The company has so far procured substantial portion of the land and the same have either been handed over to the forest department or is in the advanced stage of doing so for Compensatory Afforestation (CA) as required for obtaining Stage-II clearance. The company has received Cabinet approval from Government of Jharkhand (State Govt) for 527.55 acres of Government land out of which 406.45 acres of land had been transferred to the Forest Department for CA. Further, 511.93 acre of private land has also been transferred to the Forest Department for CA. The Company is in the process of procuring remaining land including certain other government land identified for the purpose for which required approvals etc. are pending as on this date, so as to ensure necessary compliances for obtaining EC. In the meantime, MoEF vide its letter dated June 05, 2023 had revoked the stage I Forest clearance granted earlier and thereby representations have been made by the company as well as by the State Government for reconsideration of revocation as substantial progress has been made in identification and procurement of the land required in this respect.



Mamun Chatterjee

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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026**

(Rs. in lakhs)

Further, on a petition filed against the revocation of EC as stated above, Hon'ble High Court of Jharkhand while considering the fact that modalities are being worked out between the State government, MoEF and the company, has taken on record the progress made by the company in terms of the procurement of land for the purpose of CA and vide its order dated May 01, 2025 has set aside the revocation of EC on the ground of natural justice and remanded the matter back to MoEF for the fresh hearing within a specified period on the show cause notice issued earlier by them and directed that the company can continue with its operation subject to final decision of MoEF, under the supervision of JPSCB.

In the month of February 2025, pursuant to the request made by the company for granting FC, MOEF has issued direction to the State Government for submitting the updated status. The company has submitted the proposal for FC again in the month of March 2025 proposing the continuation of the FC granted earlier to the company which has been approved by the State Government and forwarded to MoEF for further processing and the same is under consideration as on this date. Meanwhile, MoEF pursuant to the order of Hon'ble High Court of Jharkhand as stated above on continuation of its first hearing on May 26, 2025 issued direction to all the stakeholders to share the relevant documents and a joint inspection of the Steel plant was conducted on June 12, 2025 by MoEF and JPSCB and report thereof has been submitted. Subsequently, the second hearing has been held on August 28, 2025 whereby all the parties have submitted their representations. During the period, company's preliminary response and submission on the examination report of the hearing as received from the Joint Secretary, Ministry of Environment, Forest and Climate Change have been submitted. The policy with respect to penalty for CA land in case of violation has been issued by MoEF on January 21, 2026, implication of which in case of the company is being examined even though the same deals with non-compliance relating to period after December 12, 1996. Further, based on the recommendation of Forest Advisory Committee, MoEF has since granted on April 17, 2026 in-principle approval of FC Stage I to the Company. On receipt of FC and EC, application for obtaining Consent to Establish (CTE) and then Consent to Operate (CTO) will be made by the company.

Pending completion of the entire process and determination of the aggregate cost, Rs. 26,313.23 lakhs (net of Rs. 32,948.74 lakhs paid) towards cost of land and Rs. 20,556.58 lakhs towards other related costs etc. (net of Rs. 1,473.99 lakhs paid) as provided for on estimated basis in earlier years has been carried forward as on March 31, 2026. Differential amount and/or adjustments in this respect will be given effect to on determination thereof.

b) Pending necessary approvals and clearances etc. from MoEF and considering the fact that despite constraints in completing the capital projects for upscaling the capacity and increasing the volume of operations and meeting the necessary funding requirements for want of CTO, the total equity of the company is continued to be positive and there is a direction by the Hon'ble Supreme Court and Hon'ble High Court of Jharkhand allowing the continuation of the operations of the company and also taking into account the current development and steps so far taken by the company for obtaining CTO and ongoing support by Holding company for meeting company's funding and other requirements, the accounts of the company have been continued to be prepared on going concern basis.

46. Operational Buyers' Credit and Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 4.24% to 4.35% per annum. Further, other trade credit in rupee denominated currency from domestic banks are availed at interest rate ranging from 7.45% to 10.00% per annum. These trade credits are largely repayable within 180 days from the date of draw down. Operational Buyer's credit availed in foreign currency is backed by Standby Letter of Credit issued under working capital facilities sanctioned by domestic banks. These facilities are secured by first pari passu charge over the present and future current assets of the Company.

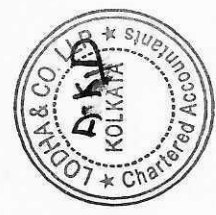


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Pragya  
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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

47 a)	FINANCIAL INSTRUMENTS The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:- Particulars	(Rs. in lakhs)			
		As at March 31, 2026		As at March 31, 2025	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
	<b>Financial Assets (Current and Non-Current)</b>				
	<b>Fair Value through Profit and Loss Account</b>				
	Investments in Mutual Funds	18,101.93	18,101.93	2,101.95	2,101.95
	<b>Financial Assets at amortised cost</b>				
	Trade receivables	5,313.39	5,313.39	9,455.81	9,455.81
	Cash and Bank Balances	6,185.70	6,185.70	2,844.09	2,844.09
	Fixed Deposits with bank	22,065.90	22,065.90	28,365.22	28,365.22
	Other Financial Assets	697.68	697.68	2,592.26	2,592.26
	<b>Fair Value through Profit and Loss Account</b>				
	Derivative Assets - not designated as hedging instruments	27.53	27.53	-	-
	-Forward Contracts				
	<b>Financial Liabilities (Current and Non-Current)</b>				
	<b>Financial Liabilities at amortised cost</b>				
	Borrowings- Floating Rate	1,21,164.59	1,21,164.59	1,60,330.49	1,60,330.49
	Borrowings- Fixed Rate	1,91,278.10	1,91,278.10	57,482.19	57,482.19
	Lease Liabilities	76,352.89	76,352.89	32,707.42	32,707.42
	Trade payables	73,610.76	73,610.76	78,601.37	78,601.37
	Operational Buyers' Credit / Suppliers' Credit	88,390.35	88,390.35	79,259.88	79,259.88
	Interest on Loans and Borrowings	22,108.21	22,108.21	14,078.41	14,078.41
	Others financial liabilities	69,646.60	69,646.60	1,18,311.30	1,18,311.30
	<b>Fair Value through Profit and Loss Account</b>				
	Derivative Liabilities - not designated as hedging instruments			265.95	265.95
	-Forward Contracts				



*[Signature]*

*Munish Choudhary, Principal*  
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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026**

(Rs. in lakhs)

b) **Fair Valuation Techniques**  
The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

- The fair value of cash and cash equivalents, current trade receivables and payables, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost in the financial statements approximate their fair values.
- The Company's long-term debt has been contracted at floating rates of interest. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.
- Investment in liquid and short-term mutual funds which are classified as fair value through profit and loss are measured using quoted market prices at the reporting date multiplied by the quantity held.
- The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. The said valuation has been carried out by the counter party with whom the contract has been entered with and Management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.

c) **Fair value hierarchy**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2026:

Particulars	Asset March 31, 2026	Asset March 31, 2025	Fair value measurements at reporting date using		
			Level 1	Level 2	Level 3
<b>Financial Assets</b>					
- Investment in Mutual Funds	18,101.93	2,101.95	18,101.93	-	-
- Investment in Fixed Deposits	-	-	(2,101.95)	(-)	(-)
- Derivative- not designated as hedging instruments	22,065.90	28,365.22	-	22,065.90	-
o Forward Contracts	27.53	-	-	(28,365.22)	(-)
				27.53	(-)
				(-)	(-)
<b>Financial Liabilities</b>					
- Borrowings- Floating Rate	1,27,164.59	1,60,330.49	-	1,27,164.59	(-)
- Borrowings- Fixed Rate	1,91,278.10	57,452.19	(-)	(1,60,330.49)	(-)
- Operational Buyers' Credit / Suppliers' Credit	88,390.35	79,259.88	(-)	1,91,278.10	(-)
- Lease Liabilities	76,352.89	32,707.42	(-)	(88,390.35)	(-)
				(79,259.88)	(-)
				76,352.89	(-)
				(32,707.42)	(-)
- Derivative- not designated as hedging instruments	-	255.95	(-)	-	(-)
o Forward Contracts	-	-	(-)	(255.95)	(-)

(\*) Figures in round brackets ( ) indicate figures as at March 31, 2025

During the year ended March 31, 2026 and March 31, 2025, there were no transfers between Level 1, Level 2 and Level 3.

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*Prabir Kumar*

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026**

(Rs. In lakhs)

The inputs used in fair valuation measurement are as follows:

- Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.
- Financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. In respect of derivative financial instruments, the inputs used for forward contracts are Forward foreign currency exchange rates and interest rates to discount future cash flow.

**d) Derivatives assets and liabilities:**

The Company follows established risk management policies. Including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

i) The following tables present the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Category	Currency	As at		No. of Deals	Amount In Foreign Currency	No. of Deals	Amount In Foreign Currency
		March 31, 2026	As at March 31, 2025				
Buy Forward	USD/INR	17	57,69,908	16	2,37,91,411		
	EURO/INR	2	6,90,125	1	15,95,425		
	JPY/INR	1	2,70,18,800				

**ii) Unhedged Foreign Currency exposures are as follows: -**

Nature	Currency	(Amount in Foreign Currency)	
		As at March 31, 2026	As at March 31, 2025
Trade Payables (Including acceptances)	EURO	8,505	8,505
Trade Payables (Including acceptances)	USD	1,28,61,769	33,59,359
Trade Receivable	USD	6,56,474	77,24,693

iii) The foreign exchange forward contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

Particulars	(Amount in Rs. Lakh)	
	As at March 31, 2026	As at March 31, 2025
Not later than one month	28.63	12.76
Later than one month and not later than three months	(4.08)	(278.77)
Later than three months and not later than one year	2.98	-

**e) Sale of financial assets**

In the normal course of business, the Company transfers its bills receivable to banks. Under the terms of the arrangements, the Company surrenders control over the financial assets and transfer is without recourse. Accordingly, such transfers are recorded as sale of financial assets. Gains and losses on sale of financial assets without recourse are recorded at the time of sale based on the carrying value of the financial assets. In certain cases, transfer of financial assets may be with recourse. Under arrangements with recourse, the Company is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with the banks. Accordingly, in such cases the amounts received are recorded as borrowings in the statement of financial position and cash flows from financing activities.

During the year ended March 31, 2026 and 2025, the Company transferred and recorded as sale of financial assets of Rs. 97,471.17 lakhs and Rs. 1,45,592.66 lakhs respectively, under arrangements without recourse and has included the proceeds from such sale in net cash provided by operating activities. These transfers resulted in recognition of discounting charges forming part of finance cost amounting to Rs.794.57 lakhs and Rs.1,621.56 lakhs for the year ended March 31, 2026 and 2025 respectively.



*(Signature)*  
 Anurag Ghosh  
 Sr. Partner  
 Chartered Accountant (CA)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2028

(Rs. In lakhs)

f) FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risks. The key financial risk includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Director's reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(i) MARKET RISK

Market risk is the risk or uncertainty arising from possible market fluctuation resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, investment in fixed deposits and mutual funds, borrowings and trade and other payables.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's trade and other payables and trade receivables.

In order to mitigate forex losses, the company has a comprehensive risk management review system wherein it actively hedges its foreign currency exposure with defined parameters through use of hedging instrument such as forward contracts. The Company periodically reviews its risk management initiatives and also takes expert advice on regular basis on hedging strategy.

The carrying amount of the various exposure to foreign currency as at the end of the reporting period are as follows:

Particulars	(Amount in Foreign Currency)			
	As at March 31, 2026 USD	As at March 31, 2025 USD	As at March 31, 2026 EURO	As at March 31, 2025 EURO
Trade Receivable	6,56,474	77,24,693	-	-
Trade and other Payables	(1,28,61,769)	(33,59,859)	-	(8,505)
Net assets/(Liabilities)	(1,22,05,295)	43,65,334	-	(8,506)

Sensitivity analysis resulting in profit or loss arises mainly from USD and EURO denominated receivables and payables are as follows:

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2026	For the year ended March 31, 2025
PAYABLES (Weakening of INR by 5%)	(603.67)	(143.55)
USD	-	(0.39)
EURO	-	-
RECEIVABLES (Weakening of INR by 5%)	30.81	350.10
USD	-	-
EURO	-	-

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements



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Pradyot  
Raj

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**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026**

(Rs. in lakhs)

**Interest Rate Risk**

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing and assistance from the banks, financial institutions and the holding company. Considering the same the carrying amount of the financial liabilities with respect to these were considered to be at fair value.

Further there are deposits with banks which are for short term period are exposed to interest rate falling due for renewal. These deposits are however generally for trade purposes and as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings:

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Increase in 50 basis points Borrowings- Floating Rate	605.82	801.65
A decrease in 50 basis point would have an equal and opposite effect on the Company's financial statements.		

**Commodity price risk**

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

Commodity price risk has been managed by selling the products at prevailing market prices. Similarly, the Company procures key raw materials like iron ore and coal based on prevailing prices or rates of levies on raising. In respect of iron Ore, consequent to commencement of mining operations supply of iron Ore has been assured. However, the lead time for procurement of imported material mainly consisting of coal and differential of raising cost of iron ore and prevailing market rate may have an impact on the profitability.

**Other price risk**

The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

**(ii) CREDIT RISK**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly. Further the company obtains necessary security including letter of credits and/or bank guarantee to mitigate its credit risk.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated of the trade receivables balance at the end of the year, there are three customers (March 31, 2025; Two) having outstanding of Rs. 2,971.80 lakhs (March 31, 2025; Rs. 5,725.02 lakhs) which accounts for more than 10% of the accounts receivable.

The Company takes collateral or guarantees or other such safeguards to secure the credit risk. The Company has also taken advances, security deposits and Letter of Credit from its customers, which mitigate the credit risk to that extent.



Prabhat Behera

Manish Choudhary

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

Financial assets that are neither past due nor impaired

Cash and cash equivalents and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounting to Rs. 1,556.62 lakhs (March 31, 2025: Rs. 2,075.71 lakhs) which are past due at the end of the reporting period, no credit losses there against are expected to arise.

(iii) LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. The company relies on internal accruals, working capital facilities from banks and borrowings from holding company to meet its fund requirement. The ongoing implementation measures will have a positive cash flow and in term help to control the liquidity crisis.

Liquidity and interest risk tables

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

Interest rate and currency of borrowings

Particulars	As at March 31, 2026		
	Floating rate borrowings	Fixed rate borrowings	Weighted average interest Rate (%)
INR	1,21,164.59	1,91,278.10	8.93%
Total	1,21,164.59	1,91,278.10	

Particulars	As at March 31, 2025		
	Floating rate borrowings	Fixed rate borrowings	Weighted average interest Rate (%)
INR	1,60,330.49	57,482.19	9.83%
Total	1,60,330.49	57,482.19	

Maturity Analysis of Financial Liabilities

As at March 31, 2026

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings (including current maturities)	3,12,442.69	-	36,845.61	1,17,606.75	1,57,990.33	3,12,442.69
Interest payable	22,108.21	16,388.81	1,454.73	-	4,264.67	22,108.21
Lease Liabilities	76,352.89	26,313.23	6,182.33	6,117.11	37,740.22	76,352.89
Operational Buyers' Credit / Suppliers' Credit	88,390.35	-	88,390.35	-	-	88,390.35
Trade and other payables	1,43,157.36	29,130.76	1,14,026.60	-	-	1,43,157.36



Mamta Choudhary, Partner

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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

As at March 31, 2025	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Particulars						
Interest bearing borrowings (including current maturities)	2,17,812.68	-	82,321.41	26,145.80	1,09,345.47	2,17,812.68
Interest payable	14,078.41	3,152.32	10,826.09	-	-	14,078.41
Lease Liabilities	32,707.42	28,593.38	883.84	859.29	2,376.91	32,707.42
Operational Buyers' Credit / Suppliers' Credit	79,259.88	-	79,259.88	-	-	79,259.88
Trade and other payables	1,95,212.67	9,849.23	1,85,363.44	-	-	1,95,212.67

(v) The company's current liabilities are currently in excess of the current assets and the mismatch in this respect is expected to be bridged with internal generations as well as funds and support provided by the holding company. The company has financial assets which will be realised in the ordinary course of business. Further, there are unused line of credit of Rs. 25,376.00 lakhs sanctioned from the banks as on this date. The Operational Buyers' Suppliers' Credit as per sanction and Term Loan from banks and financial institutions are backed by Corporate Guarantees issued by the holding company and also as approved by the Board of the said company, additional fund and/or support from them has been assured to the tune of Rs. 1,63,170.50 lakhs which can be made available as and when required by the company. These alongwith the expected generation of fund from normal operations will be sufficient to cater the financial liability becoming due or payable.

(iv) CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and protect the interest of other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The gearing ratio as at March 31, 2026 and March 31, 2025 are as follows:

Particulars	As at	
	March 31, 2026	March 31, 2025
Current loans and borrowings	1,54,452.36	1,09,467.21
Non-current loans and borrowings	1,57,990.33	1,09,345.47
Total loans and borrowings	3,12,442.69	2,17,812.68
Less: Cash and Cash Equivalents	7,284.05	5,688.95
Less: Funds parked in Current Investment	18,101.93	2,101.95
Net Debt	2,87,058.71	2,09,821.78
Total equity attributable to the equity shareholders of the Company	3,16,021.11	4,33,095.00
Capital and Debt	6,03,077.82	6,42,916.78
Total capital (loans and borrowings and equity)	0.91	0.48



Munish Chatterjee  
 Patalad Kosal

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48 NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

RATIOS

The following are analytical ratios for the year ended March 31, 2026 and March 31, 2025

Particulars	Numerator	Denominator	As at / For the year ended		Variance	Remarks
			March 31, 2026	March 31, 2025		
Current Ratio	Current Assets	Current Liabilities	0.28	0.30	-7.24%	
Debt-Equity ratio	Short Term Borrowings+ Long Term Borrowings+ Lease Liabilities	Total Equity	1.23	0.58	112.69% *	Due to additional borrowings sanctioned during the year
Debt service coverage ratio	Earning before Interest, Depreciation and Tax+ Exceptional Items	Interest Expense+Principal Repayment of Long Term Debt	0.15	0.43	-65.04%	Due to decrease in volume of sales and lower realisation
Return on Equity Ratio	Profit after Tax+ Exceptional Items	Total Equity	-35.22%	-6.15%	472.99%	Due to decrease in volume of sales and lower realisation thereagainst
Inventory turnover ratio	Revenue from operations less EBITDA	Average Inventory	7.87	7.38	6.70%	
Trade Receivable turnover ratio	Revenue from Operation	Average Trade Receivables	101.23	79.38	27.52%	Due to decrease in volume of sales and lower realisation thereagainst
Trade payables turnover	Total Purchases	Average Trade Payables including Operational	2.69	2.96	-9.33%	
Net capital turnover ratio	Revenue from operations	Working Capital	(1.89)	(2.24)	-15.87%	
Net profit ratio	Profit after Tax+ Exceptional Items	Revenue from Operation	-14.89%	-3.27%	355.68%	Due to decrease in volume of sales and lower realisation thereagainst along with deferred tax reversal



*[Handwritten Signature]*

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Pratibha Das

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

Particulars	Numerator	Denominator	As at / For the year ended March 31, 2026	As at / For the year ended March 31, 2025	Variance	Remarks
Return on capital employed	Earning before Interest and Tax- Exceptional Items	Average Capital Employed (Capital Employed= Total Assets- Current Liabilities)	-4.07%	1.73%	-335.34%	Due to decrease in volume of sales and lower realisation thereagainst
Return on Investments	Income generated from investments	Time weighted average Investments	1.02%	3.28%	-69.00%	Due to fluctuation of Mutual Funds

49 INCOME TAX

(a) Income Tax has been provided considering the provisions of Income Tax Act and based on the legal opinion and advices received in this respect.  
(b) In assessing the reliability of deferred tax assets (DTA), the Company considers the extent to which, it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits against which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

Movement of Deferred Tax from beginning to the end of the financial year is as follows:

Particulars	As at March 31, 2024	Charge/(Credit) to Statement of Profit and Loss	Charge/(Credit) to Other Comprehensive Income	As at March 31, 2025	Charge/(Credit) to Statement of Profit and Loss	Charge/(Credit) to Other Comprehensive Income	As at March 31, 2026
Deferred Tax Liability							
a) Related to Property, Plant and Equipment and	57,050.07	(4,710.46)	-	52,339.61	(1,334.30)	-	51,005.31
b) Loans carried at Amortised Cost	255.99	(108.21)	-	147.78	(69.27)	-	78.51
d) Others					9.62	-	9.62
Total Deferred Tax Liability	57,346.06	(4,818.67)	-	52,527.39	(1,393.95)	-	51,133.44
Deferred Tax Assets							
a) Accumulated Unabsorbed depreciation	2,78,659.89	-	-	2,78,659.89	85,030.43	-	2,23,629.46
b) Provision for doubtful debts, advances, and other provisions	1,209.50	(104.03)	-	1,105.47	164.72	-	1,270.19
c) Amount deductible on payment basis	568.08	(98.71)	(82.75)	749.54	(1,056.37)	(127.49)	1,333.40
d) Others	5.32	(199.68)	-	204.98	204.98	-	-
Total Deferred Tax Assets	2,80,442.79	(402.40)	(82.75)	2,80,927.94	54,343.76	(127.49)	2,26,711.67
Deferred Tax Liability/(Assets) (Net)	(2,23,096.73)	(5,221.07)	(82.75)	(2,28,400.55)	52,949.81	(127.49)	(1,76,578.23)



Munish Chaudhary  
Prakalad Das



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NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(Rs. in lakhs)

The rationale for recognition of Deferred Tax Assets has been reviewed considering the loss in current year and expected sustainability of profit and growth in volume of business in subsequent period. Accordingly, as a matter of prudence based on past trends etc., Deferred Tax Assets of Rs. 52,949.80 lakhs created in earlier years considering the expected utilisation thereof against taxable income in subsequent periods, have been reversed during the year.

Deferred tax assets to the extent of Rs. 1,50,052.05 lakhs (including Rs. 21,406.02 lakhs for the year) on account of such losses including depreciation has not been recognised, leaving the balance amount of Rs. 1,75,578.23 lakhs which based on management's assumption for reasonable certainty of utilisation thereof as required in terms of Ind AS 12 "Income Taxes" has been carried forward as at March 31, 2026.

In view of the management, future taxable income of the company considering the projected volume of operations etc., will be sufficient to absorb the amount of deferred tax assets over a period of time.

(c) The Expiry date for accumulated business loss and unabsorbed depreciation are as follows:

Particulars	Year of Expiry	Amount
Unabsorbed depreciation	No Expiry	6,39,965.25

(d) The Expiry date for accumulated business loss remaining unrecognised are as follows:

Particulars	Year of Expiry	Amount
Unabsorbed depreciation	No Expiry	2,40,402.76
Business Loss	2027-2028	1,11,510.00
Business Loss	2031-2032	13,358.25
Business Loss	2032-2033	37,391.30
Business Loss	2034-2035	26,744.88

(e) Reconciliation of Tax expense and the accounting profit multiplied by domestic tax rate for March 31, 2026

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Profit/ (Loss) before tax	(83,886.74)	(31,840.38)
Income Tax Charge/(Credit) thereon based on tax rate @ 34.94%	(22,324.58)	(11,126.30)
Adjustment for:		
Reversal of DTA during the year	52,949.80	-
Lease payment against amortisation	(1,473.89)	(1,344.98)
Reversal of DTA on reduction of carried forward losses under Vivad se Vishwas Scheme	4,012.19	-
Other Permanent difference	(1,519.53)	595.98
Unrecognised unused tax losses/ depreciation	21,406.02	6,854.23
	52,949.81	(5,221.07)



Mamukh Choudhary  
Prakalad Awaraj



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The immediate Holding company had introduced an Employee Stock Option Scheme 2016 ("ESOS"), which was approved by the Vedanta Limited shareholders to provide equity settled incentive to all employees of the Company including subsidiary companies. The ESOS scheme includes tenure based, business performance based and market performance based stock options. The maximum value of options that can be awarded to members of the wider management group is calculated by reference to the grade average cost-to-company ("CTC") and individual grade of the employee. The ESOS schemes are administered through VESOS trust and have underlying Vedanta Limited equity shares. Options granted during the year ended March 31, 2026 and year ended March 31, 2025 includes business performance based, sustained individual performance based, management discretion and fatality multiplier based stock options. Business performances in terms of the Scheme are measured by the Holding Company using Volume, Cost, Net Sales Realisation, EBITDA, Free Cash Flows, ESG and Carbon footprint or a combination of these as applicable and relevant for the respective business/SBU entities and amount thereof are intimated to the company and have accordingly been given effect to in these financial statements. The exercise price of the options is Re. 1 per share and the performance period is three years, with no re-testing being allowed. Further, in accordance with the terms of the agreement between the Holding Company and the Company, the cost recognised towards ESOS scheme is recovered by the Holding Company from the Company and charged out to the Statement of Profit and Loss Account.

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Additional Information pursuant to amendments (effective 1st April, 2021) made in Schedule III to the extent applicable to the company (Other than those that have been disclosed under the respective Notes to the financial statements):

**A) Utilisation of borrowed funds and share premium**

- (i) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (ii) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

**(B) Details of crypto currency or virtual currency**

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

**(C) Undisclosed income**

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

**(D) Compliance with number of layers of companies**

The Company has complied with number of layers with respect to subsidiaries as prescribed under Section 2(87) of the Act read with Companies (Restriction on number of layers) Rules, 2017.

**(E) Relationship with Struck-off Companies**

Based on information available with the company from the website of Ministry of Corporate Affairs, there were no transaction during the current year with such companies.

**(F) Registration/Satisfaction of charges**

There are no registration/satisfaction of charges pending with Registrar of Companies beyond the statutory period as on the Balance Sheet date.

**(G) Willful Default**

The Company has not been declared willful defaulter by any bank or financial institution or other lender.



Manish Chaudhary  
 Mukesh Prasad

*(Signature)*

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026**


- 52 These financial statements have been approved by the Board of Directors of the Company on April 18, 2026, for issue to the shareholders for their adoption. (Rs. in lakhs)
- 53 Previous Year's figure has been regrouped/rearranged wherever necessary to make it comparable with current year presentation.

As per our report of even date

For Lodha & Co LLP  
Chartered Accountants




Ajit Kumar Dalmia  
Partner




A Sumathi  
(DIN : 07147100)



Ravish Sharma  
(DIN : 10914990)



Prateek Das Rawat  
Prateek Das Rawat



Manish Kumar Chaudhary  
M.No. ACS 23037

Non-Executive Director

Whole time Director

Chief Financial Officer

Company Secretary

