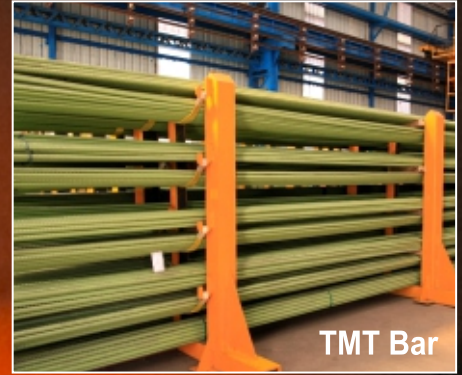




39th ANNUAL REPORT 2024-25

India's Largest Steel Melting Furnace of 32 MW/60 Ton DTi Model under Supply

Induction billet heater delivered to Bombshell manufacturing facility





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MR. DINESH MUKATI

Non-Executive Chairman – Independent Director

Mr. Dinesh Mukati, aged 68 years, is Commerce Graduate. He is Independent Director of the Company since, 5th September, 2017. He is a Non-Executive Chairman of the Company. He has worked with Indian Army and he has multifunctional experience in area of operational excellence, cultural developing, lien manufacturing.

Mr. Dinesh Mukati is a Member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Management Committee and Securities Allotment Committee.

MR. SHAILESH BHANDARI

Executive Vice Chairman

Mr. Shailesh Bhandari, aged 67 years, is B.Sc. (Economics). He is associated with the Company since its inception as its Director. Currently, he is a Managing Director designated as an Executive Vice Chairman of the Company. He has led the marketing initiatives at Electrotherm over the last more than 38 years. Due to his persistent approach towards brand identity, the Company was successful to penetrate the products of the Company at National and International level including recognition with various government organizations. Mr. Shailesh Bhandari also supervises the banking and financial activities of the Company. Due to his business acumen and foresight, the Company was able to arrive at settlement at appropriate time with various lenders at sustainable level. Under his leadership and guidance, the Company had entered into settlement terms with 18 out of 19 Lenders / Asset Reconstruction Companies / Financial Institutions. Mr. Shailesh Bhandari has contributed immensely to the growth of the business of the Company.

Mr. Shailesh Bhandari is heading Management Committee, Corporate Social Responsibility Committee and Securities Allotment Committee. He is also a Member of Stakeholders Relationship Committee.



MR. SURAJ BHANDARI

Managing Director

Mr. Suraj Bhandari, aged 29 years, is Bachelor of Technology (Electrical and Electronics Engineering). He is associated with Electrotherm (India) Limited since 2017. Currently, he is Managing Director of the Company. He has good experience in the sales, marketing, production & planning in Engineering & Technologies Division.

Mr. Suraj Bhandari oversees and involved in various functions related to sales, marketing, production & planning, finance, secretarial & legal and overall business administration and management of the Company.

Mr. Suraj Bhandari is a Member of Management Committee.



MR. PRATAP MOHAN

Independent Director

Mr. Pratap Mohan, aged 64 years, is MBA from IIM, Calcutta and B. Tech. (Chem) from IIT (BHU), Varansi. He is Independent Director of the Company since, 5th September, 2017.

Mr. Pratap Mohan is having around 39 years of multifunctional experience in the area of Greenfield projects, finance, large manufacturing operations, business developments and sales, mergers & acquisition and human resources.

Mr. Pratap Mohan is Chairman of Audit Committee and Nomination and Remuneration Committee. He is also a Member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Securities Allotment Committee.

MS. NIVEDITA R. SARDA

Independent Director

Ms. Nivedita R. Sarda, aged 48 years, is Commerce Graduate, PGDBA, Certified Treasury Manager, FCA and Master in Laws (LLM). She is Independent Director of the Company since 25th May, 2018.

Ms. Nivedita R. Sarda is Chartered Accountant (Rank Holder), Certified Treasury Manager and Corporate Lawyer. By profession, she is an Advocate. She has wide experience in the field of business structuring & restructuring, takeovers, joint ventures, business establishments, amalgamations, international trade finance, corporate finance and securities, International structured investments, setups and regulatory compliance.

Ms Nivedita R. Sarda is heading Stakeholders Relationship Committee. She is also a Member of Audit Committee and Nomination and Remuneration Committee.



MR. TUSHAR JANI

Whole Time Director

Mr. Tushar Jani, aged 61 years, is B.E. (Mechanical). He is Whole Time Director of the Company from 10th April, 2025. Mr. Tushar Jani has significant experience in the field of Operations, Projects, Products Development and Strategic Planning & Implementation. He is associated with the Company for more than 30 years.

CORPORATE INFORMATION

Board of Directors

Mr. Dinesh Mukati	Non-Executive Chairman & Independent Director
Mr. Shailesh Bhandari	Executive Vice Chairman
Mr. Suraj Bhandari	Managing Director
Mr. Tushar Jani	Whole Time Director (w.e.f. 10 th April, 2025)
Mr. Pratap Mohan	Independent Director
Ms. Nivedita R. Sarda	Independent Director

Key Managerial Personnel (Other than Directors)

Mr. Fageshkumar R. Soni	Company Secretary
Mr. Harish Mukati	Chief Executive Officer (Steel Division) (w.e.f. 14 th November, 2024)
Mr. Amit Kumar Patwarika	Chief Financial Officer (w.e.f. 11 th February, 2025)

Auditors

Hitesh Prakash Shah & Co.	Statutory Auditor
Shyamsingh Tomar & Associates	Secretarial Auditor
V. H. Savaliya & Associates	Cost Auditor

Banks / Financial Institutions

Edelweiss Asset Reconstruction Company Ltd.
 Invent Assets Securitisation & Reconstruction Pvt. Ltd.
 Rare Asset Reconstruction Ltd.

Registered Office

A-1, Skylark Apartment,
 Satellite Road, Satellite,
 Ahmedabad – 380015
 CIN: L29249GJ1986PLC009126
 Email : sec@electrotherm.com
 Website: www.electrotherm.com
 Phone: +91-79 - 26768844
 Fax: +91-79 - 26768855

Registrar & Transfer Agent

MUFG Intime India Private Limited
 (Formerly known as Link Intime India Private Limited)
 5th Floor, 506 TO 508, Amarnath Business Centre – I (ABC- I), Beside Gala Business
 Centre, Nr St. Xavier's College Corner, Off C G Road, Ellisbridge,
 Ahmedabad - 380006
 Tel No. & Fax. No.: +91-79-2646 5179
 Email: rnt.helpdesk@in.mpms.muvg.com / ahmedabad@in.mpms.muvg.com
 Website: www.in.mpms.muvg.com

Engineering & Technologies Division

Survey No. 72,
 Village: Palodia,
 Taluka: Kalol,
 Dist: Gandhinagar – 382115, Gujarat

Special Steel Division & Electric Vehicle Division

Survey No. 325,
 N. H. No. 8A, Near Toll Naka,
 Village: Samakhiali,
 Taluka: Bhachau,
 Dist: Kutch – 370140. Gujarat

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NOTICE

NOTICE is hereby given that the **39th Annual General Meeting** of Members of **Electrotherm (India) Limited** will be held on **Wednesday, 10th September, 2025 at 10:00 a.m.** through Video Conferencing / Other Audio Visual Means (VC / OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt audited standalone and consolidated financial statements of the Company for the financial year ended on 31st March, 2025 together with report of Board of Directors and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Shailesh Bhandari (DIN: 00058866), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To ratify the remuneration of the Cost Auditor for the financial year ending on 31st March, 2026:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Members be and is hereby accorded to ratify the remuneration of Rs. 2,25,000 (Rupees Two Lacs Twenty Five Thousand Only) plus applicable GST and reimbursement of out of pocket expenses to M/s. V. H. Savaliya & Associates, Cost Accountants, Ahmedabad (Membership No. 13867, FRN: 100346) appointed as Cost Auditor of the Company by the Board of Directors of the Company on the recommendation of the Audit Committee, for conducting the audit of cost records of the Company for the financial year ending on 31st March, 2026.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution including seeking all necessary approvals, if any, and to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto."

4. **To approve the appointment of M/s. Bharat Prajapati & Co., Practising Company Secretaries as a Secretarial Auditor for five consecutive years:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013, Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the recommendation of the Audit Committee, M/s. Bharat Prajapati & Co., Practising Company Secretaries, Ahmedabad (Membership No. FCS – 9416 & COP No. 10788), a peer reviewed firm (Peer Review Certificate No. 2367/2022) be and are hereby appointed as Secretarial Auditor of the Company to hold office for a period of five consecutive years commencing from Financial Year 2025-26 to Financial Year 2029-30 at such remuneration plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditor.

RESOLVED FURTHER THAT approval of the Members be and is hereby accorded to avail or obtain from the Secretarial Auditor, such other services or certificates, reports, or opinions which the Secretarial Auditor may be eligible to provide or issue under the applicable laws, at a remuneration to be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto."

5. **To re-appoint Mr. Shailesh Bhandari (DIN: 00058866) as a Managing Director designated as an Executive Vice Chairman of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 200 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015") (including any modification or re-enactment thereof for time being in force), the Memorandum and Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee and subject to approval of Banks / Financial Institutions / National Company Law Tribunal / Central Government and such other approval as may be necessary, Mr. Shailesh Bhandari (DIN: 00058866), who has given his consent and a declaration under Schedule V of the Companies Act, 2013 to act as Managing Director / Executive Vice Chairman, be and is hereby re-appointed as a Managing Director designated as an Executive Vice Chairman of the Company for the period of five years, commencing from 1st February, 2026 and concluding on 31st January, 2031.

NOTICE

I. REMUNERATION:

(A) Monthly Salary: Basic salary of Rs. 45,00,000/- (Rupees Forty Five Lacs only) and other allowances and other benefits of Rs. 55,00,000/- (Rupees Fifty Five Lacs only)

(B) PERQUISITES:

- (i) In addition to the salary as above, Mr. Shailesh Bhandari will be entitled to Personal Accident Insurance and Group Life Insurance, Club fees subject to a maximum of two clubs, medical reimbursement and Company provided car and driver.
- (ii) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- (iv) Encashment of leave at the end of the tenure.

(C) MINIMUM SALARY:

In the event of any absence or inadequacy of profits in any financial year of the Company during his tenure, Mr. Shailesh Bhandari shall be entitled to receive remuneration includes perquisites as mentioned above in (A) and (B) as minimum remuneration in accordance with the conditions specified in Schedule V of the Companies Act, 2013 or any modifications thereof.

II. POWERS:

The appointee shall function under the supervision, control and guidance of the Board of Directors of the Company and is entrusted with substantial powers of management of affairs of the entire Company except Engineering and Technologies Division of the Company and shall also exercise such other powers of management to extent and in the manner delegated by the Board of Directors of the Company.

III. SITTING FEES:

The appointee shall not receive any sitting fees for attending any meeting of the Board or Committees thereof.

IV. RETIREMENT BY ROTATION:

The appointee shall be liable to retire by rotation at annual general meeting of the Company.

RESOLVED FURTHER THAT over all remuneration payable to all the directors including Managing Directors and Whole Time Director of the Company may exceed the limit as mentioned under Regulation 17(6)(e) of the SEBI LODR Regulations, 2015.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby severally authorised to executive all such documents, instruments and writing as

deemed necessary with power to alter and vary the terms and conditions of such appointment and/or remuneration so that the total remuneration payable to him shall not exceed the limits above or limit specified in schedule V of the Companies Act, 2013 including seeking all necessary approvals, if any, any statutory modification, settle all questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such necessary acts, deeds or things required to give effect to the aforesaid resolution."

6. To re-appoint Mr. Suraj Bhandari (DIN: 07296523) as a Managing Director of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 200 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR Regulations, 2015") (including any modification or re-enactment thereof for time being in force), the Memorandum and Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee and subject to approval of Banks / Financial Institutions / National Company Law Tribunal / Central Government and such other approval as may be necessary, Mr. Suraj Bhandari (DIN: 07296523), who has given his consent and a declaration under Schedule V of the Companies Act, 2013 to act as Managing Director, be and is hereby re-appointed as a Managing Director of the Company for the period of five years, commencing from 13th November, 2025 and concluding on 12th November, 2030.

I. REMUNERATION:

(A) Monthly Salary: Basic salary of Rs. 40,50,000/- (Rupees Forty Lacs Fifty Thousand only) and other allowances and other benefits of Rs. 49,50,000/- (Rupees Forty Nine Lacs Fifty Thousand only)

(B) PERQUISITES:

- (i) In addition to the salary as above, Mr. Suraj Bhandari will be entitled to Personal Accident Insurance and Group Life Insurance, Club fees subject to a maximum of two clubs, medical reimbursement and Company provided car and driver.
- (ii) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and

NOTICE

(iv) Encashment of leave at the end of the tenure.

(C) MINIMUM SALARY:

In the event of any absence or inadequacy of profits in any financial year of the Company during his tenure, Mr. Suraj Bhandari shall be entitled to receive remuneration includes perquisites as mentioned above in (A) and (B) as minimum remuneration in accordance with the conditions specified in the Schedule V of the Companies Act, 2013 or any modifications thereof.

II. POWERS:

The appointee shall function under the supervision, control and guidance of the Board of Directors of the Company and is entrusted with substantial powers of management to manage the affairs of 'Engineering and Technologies Division' of the Company and shall also exercise such other powers of management to extent and in the matter delegated by the Board of Directors of the Company.

III. SITTING FEES:

The appointee shall not receive any sitting fees for attending any meeting of the Board or Committees thereof.

IV. RETIREMENT BY ROTATION:

The appointee shall be liable to retire by rotation at annual general meeting of the Company.

RESOLVED FURTHER THAT over all remuneration payable to all the directors including Managing Directors and Whole Time Director of the Company, may exceed the limit as mentioned under Regulation 17(6)(e) of the SEBI LODR Regulations, 2015.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby severally authorised to executive all such documents, instruments and writing as deemed necessary with power to alter and vary the terms and conditions of such appointment and/or remuneration so that the total remuneration payable to him shall not exceed the limits above or limit specified in schedule V of the Companies Act, 2013 including seeking all necessary approvals, if any, any statutory modification, settle all questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such necessary acts, deeds or things required to give effect to the aforesaid resolution."

7. Reclassification of Authorised Share Capital and consequent alteration of Memorandum of Association of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions of the Companies

Act, 2013 ("the Act") read with the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such permission, sanctions and approvals as may be required in this regard, consent of the Members of the Company be and is hereby accorded to reclassify the existing Authorised Share Capital of the Company comprising of Rs. 78,59,00,000 (Rupees Seventy Eight Crore Fifty Nine Lacs Only) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 2,50,00,000 (Two Crore Fifty Lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each and 2,85,90,000 (Two Crore Eighty Five Lacs Ninety Thousand Only) Partially Convertible Partially Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 78,59,00,000 (Rupees Seventy Eight Crore Fifty Nine Lacs Only) comprising of:

- i. Rs. 53,59,00,000 (Rupees Fifty Three Crore Fifty Nine Lacs Only) divided into 5,35,90,000 equity shares of Rs. 10/- each and;
- ii. Rs. 25,00,00,000 (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each

RESOLVED FURTHER THAT the Existing Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the same and substituting the following new Clause V in place of existing Clause thereof:

'V: The Authorised Share Capital of the Company is Rs. 78,59,00,000 (Rupees Seventy Eight Crore Fifty Nine Lacs Only) comprising of Rs. 53,59,00,000 (Rupees Fifty Three Crore Fifty Nine Lacs Only) divided into 5,35,90,000 (Five Crore Thirty Five Lacs Ninety Thousand) equity shares of Rs. 10/- each and Rs. 25,00,00,000 (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each, the shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or any other special rights, privileges, conditions or restrictions.'

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution including seeking all necessary approvals, if any, and to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto."

8. Alteration of Articles of Association of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act,

NOTICE

2013 ("the Act") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the rules made thereunder, the consent of the Members of the Company be and is hereby accorded to amend the Article 109 of Articles of Association of the Company as under:

(a) Existing Article 109 shall be amended and substituted by the following amended Article 109:

109. (1) The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to this resolution including seeking all necessary approvals, if any, and to do all such acts, deeds, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution and for matters concerned or incidental thereto."

**By Order of the Board of Directors
For Electrotherm (India) Limited**

**Fageshkumar R. Soni
Company Secretary
Membership No. F8218**

Registered Office:

A-1, Skylark Apartment, Satellite Road,
Satellite, Ahmedabad – 380 015

Date : 29th July, 2025

Place: Palodia

NOTES:

1. In view of the Ministry of Corporate Affairs ("MCA") circular nos. 14/2020 and 17/2020 dated 8th April, 2020 and 13th April, 2020, respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder on account of the threat posed by Covid-19" and circular nos. 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022, 09/2023 and 09/2024 dated 5th May, 2020, 13th January, 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022, 28th December, 2022, 25th September, 2023 and 19th September, 2024 respectively in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")" (collectively referred to as "MCA Circulars") permitted the Companies whose AGMs are due in the year 2024 or 2025, to conduct their AGMs on or before 30th September, 2025 through VC / OAVM, without the physical presence of the members at a common venue and also provided relaxation from dispatching of physical copies of Notice of AGM and financial statements for the year 2024-2025 and considering the above MCA Circulars, Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" ("SEBI Circular") provided relaxation up to 30th September, 2025, the Notice of the AGM along with the Annual Report for Financial year 2024-2025 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories". Further, in compliance with the MCA Circulars and SEBI Circular, the 39th Annual General Meeting (AGM) of the Company is being conducted through VC / OAVM, which does not require physical presence of Members at a common venue. Hence, members can attend and participate in the 39th AGM through VC / OAVM only.
2. Pursuant to the above mentioned MCA Circulars and SEBI Circular, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.
3. A body corporate intending to send their authorized representative(s) to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of resolution of the Board of Directors or other governing body authorizing such representative(s) to attend and vote on their behalf at the Meeting.
4. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to special business in respect of Item No. 3 to 8 of the Notice to be transacted at the AGM is annexed hereto.
7. Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015") and Secretarial Standard - 2 with respect to Director seeking appointment / re-appointment or resolution related to continuation of Directorship being placed at the Annual General Meeting, is attached hereto.
8. Relevant documents referred to in the accompanying Notice and the statement pursuant to section 102(1) of the Companies Act, 2013 and also the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of

NOTICE

- Contracts or Arrangements will be available electronically for inspection by the members without any fees from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to sec@electrotherm.com.
9. There is no money lying to unpaid / unclaimed dividend account pertaining to any of the previous years with the Company. As such the Company is not required to transfer such amount to the Investor Education and Protection Fund established by the Central Government.
 10. Since 2011, the company has not declared dividend and money lying in the unpaid / unclaimed dividend account for the year 2009-10 and before, had been transferred to Investor Education and Protection Fund ("IEPF"). Further, in terms of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company is not required to upload the data regarding unpaid / unclaimed dividend for the last seven years.
 11. The data regarding unpaid / unclaimed dividend for the year 2009-10, is uploaded on the website of the Company at www.electrotherm.com as well as website of the Investor Education and Protection Fund Authority, Ministry of Corporate Affairs (MCA) at www.iepf.gov.in.
 12. In compliance with the above mentioned MCA Circulars and SEBI Circular, Notice of the 39th AGM, Annual Report and instruction for e-voting are being sent to the members through electronic mode whose email addresses are registered with the Company / Depository Participant(s). The copy of Notice of 39th AGM and Annual Report will also be available on the website of (i) the Company at www.electrotherm.com (ii) the BSE Limited (BSE) at www.bseindia.com and National Stock Exchange of India Limited (NSE) at www.nseindia.com and (iii) CDSL at www.evotingindia.com.
 13. In compliance with the provisions Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI LODR Regulations, 2015 and above mentioned MCA Circulars, the members are provided with the facility to cast their vote by electronic means through the remote e-voting or through e-voting on the date of AGM, by using the platform provided by CDSL and the business may be transacted through such voting. The process for electronically voting is mentioned herein below.
 14. The Voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on cut-off date i.e. Wednesday, 03rd September, 2025.
 15. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.
 16. CS Arvind Gaudana, Senior Partner or failing him CS Bhavya Gaudana, Partner of M/s. Gaudana & Gaudana, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the electronically voting (remote e-voting or voting at AGM through electronically) process in a fair and transparent manner.
 17. The Scrutinizer's decision on the validity of the vote shall be final.
 18. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such vote cast through remote e-voting shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the AGM through VC / OAVM, however such Member shall not be allowed to vote again during the AGM.
 19. After completion of the scrutiny of the e-voting, the Scrutinizer will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the AGM or a person authorised by the Chairman, within 2 working days of the conclusion of the AGM. The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
 20. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.electrotherm.com. The Company shall simultaneously forward the result to BSE, NSE and CDSL.
 21. The Resolutions shall be deemed to be passed on the date of the AGM conducted through VC / OAVM, subject to receipt of the requisite number of votes in favour of the Resolutions.
 22. The AGM will be held through VC / OAVM in accordance with the MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
 23. Members may please note that SEBI vide its Master Circular dated 07th May, 2024 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate share certificate; renewal / exchange of share certificate; endorsement; sub-division / splitting of share certificate; consolidation of share certificates / folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the forms which are available on the website of RTA i.e. MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) at www.in.mpms.mufig.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.
 24. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form only.

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25. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their depository participants. Members holding shares in physical form are requested to submit their PAN details to the Company's RTA.
26. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of RTA i.e. MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) at www.in.mpms.mufig.com. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

PROCESS AND MANNER FOR VOTING BY ELECTRONIC MEANS (E-VOTING):

The instructions for members for remote e-voting and e-voting during the AGM and joining the meeting through VC / OAVM are as under:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of SEBI LODR Regulations, 2015 and in terms of SEBI Master Circular dated 11th November, 2024 related to "E-voting facility provided by Listed Entities" and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business as set forth in the accompanying Notice of AGM to be transacted at the 39th AGM and facility for those Members participating in the 39th AGM through VC / OAVM to cast vote through e-Voting during the 39th AGM through e-Voting services provided by CDSL.

The cut-off date for the purpose of remote e-voting and e-voting at the AGM shall be Wednesday, 03rd September, 2025. Please note that members can opt for only one mode of voting i.e. either by e-voting at the meeting or remote e-voting. If Members opt for remote e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again.

The e-voting facility is available at the link www.evotingindia.com

(A) The instructions for shareholders for voting electronically: -

- (i) The remote e-voting period begins on Sunday, 07th September, 2025 (9.00 a.m. IST) and ends on Tuesday,

09th September, 2025 (5.00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 03rd September, 2025, may cast their vote electronically. The e-voting shall not be allowed beyond the said time and date and e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) A person who is not a Member as on the cut-off date should treat this Notice of 39th AGM for information purpose only.
- (iii) Shareholders who have casted their vote by remote e-voting prior to the meeting may also attend the meeting through VC / OAVM but shall not be entitled to cast their vote again.
- (iv) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 (updated as per Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November, 2024) read with SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 ("SEBI Circular") and Regulation 44 of SEBI LODR Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1:- Access through Depositories CDSL / NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (v) In terms of SEBI Circular on e-Voting facility provided by Listed Companies, Individual shareholders holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meeting for **Individual shareholders holding shares in Demat mode with CDSL / NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL Depository	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & e-voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id / mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2:- Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(vi) Login method for e-Voting and joining virtual meeting for shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID
 - (b) For NSDL: 8 character DP ID followed by 8 digits Client ID
 - (c) Shareholders holding shares in physical form should enter folio number registered with the Company.
- 4) Next enter the Image verification as displayed and click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- 6) If you are a first time user, follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
Dividend Bank Details OR Date of Birth (DOB)	- Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. - If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then reach directly the Company selection screen. However, shareholders holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for ‘ELECTROTHERM (INDIA) LIMITED’.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES / NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

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- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xvi) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) There is also an optional provision to upload Board Resolution / Power of Attorney (POA) if any uploaded, which will be made available to scrutinizer for verification.
- (xviii) Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only:
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of Non-Individual Shareholders / Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. sec@electrotherm.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to get any information on the accounts or operations of the Company or express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at sec@electrotherm.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number / folio number, email id, mobile number at sec@electrotherm.com. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
10. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders may be considered

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invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES.:

1. For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company / RTA email id i.e., sec@electrotherm.com / ahmedabad@in.mpms.mufg.com.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 21 09911

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

ITEM NO. 3:

The Board of Directors of the Company at their Meeting held on 20th May, 2025, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. V. H. Savaliya & Associates, Cost Accountants (Membership No. 13867, FRN: 100346), Ahmedabad as Cost Auditor of the Company to conduct the audit of the cost accounting records of the Company for the financial year ending on 31st March, 2026 at a remuneration of Rs. 2,25,000/- (Rupees Two Lacs Twenty Five Thousand Only).

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

The resolution as set out at Item no. 3 of this Notice is accordingly recommended for your approval.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the 39th AGM.

ITEM NO. 4:

As per Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulation, 2015"), *inter alia*, provides that with effect from 1st April 2025, the Company is required to appoint a Practicing Company Secretary for not more than one term of five consecutive years or a firm of Practicing Company Secretaries as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of the members at its AGM and such Secretarial Auditor must be a peer reviewed company secretary and should not have incurred any of the disqualifications as specified under the SEBI LODR Regulations, 2015. Further, as per the said Regulation, any association of the individual or the firm as the Secretarial Auditor(s) of the Company before 31st March 2025 shall not be considered for the purpose of calculating the tenure of the Secretarial Auditor(s).

The Company has received consent letter, brief profile and eligibility certificate from M/s. Bharat Prajapati & Co. Practicing Company Secretaries, Ahmedabad (Membership No. FCS – 9416 & COP No. 10788), a peer reviewed firm (Peer Review Certificate No. 2367/2022) to act as Secretarial Auditor of the Company and confirm that they are qualified for the said appointment. The Board of Directors of the Company, at their Meeting held on 20th May, 2025, on the recommendation of the Audit Committee, approved the appointment of M/s. Bharat Prajapati & Co. Practicing Company Secretaries, Ahmedabad (Membership No. FCS – 9416 & COP No. 10788), a peer reviewed firm (Peer Review Certificate No. 2367/2022) as Secretarial Auditor of the Company to hold office for a period of five consecutive years commencing from Financial Year 2025-26 to Financial Year 2029-30, subject to approval of the Members, in the ensuing Annual General Meeting. Further, the

Board of Directors may decide remuneration in consultation with Secretarial Auditor in to such extent as may be mutually agreed.

The brief profile of M/s. Bharat Prajapati & Co. is as under:

Mr. Bharat Prajapati is Proprietor of M/s. Bharat Prajapati & Co. Mr. Bharat Prajapati is Fellow Member of Institute of Company Secretaries of India. He is having more than 13 years on experience in the field of Secretarial Due Diligence Audit as per requirements of Banks, Merger / Demerger / Joint Venture / Capital Restructuring and other Restructuring Assignments, Secretarial Audit, Various Certifications as per requirements of the Companies Act, 2013 and SEBI Regulations, Drafting of various Agreements / Memorandum of Understandings, Formation of Companies and Limited Liability Partnership, Liquidation / Winding up of Companies and Liaisoning with regulatory authorities and quasi-judicial authorities.

The resolution as set out at Item no. 4 of this Notice is accordingly recommended for your approval.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the 39th AGM.

ITEM NO. 5:

Mr. Shailesh Bhandari (DIN: 00058866) was re-appointed as a Managing Director with effect from 1st February, 2023, for a period of 3 (three) years upto 31st January, 2026 with a monthly salary of Rs. 2,00,000/- (Rupees Two Lacs Only). Thereafter, he was re-designated as an Executive Vice Chairman with effect from 9th February, 2024 for the balance tenure of the appointment and entrusted with substantial powers of management of affairs of the entire Company except Engineering and Technologies Division of the Company. Further, in view of the default in repayment of loan and in absence of the approval of the bank or financial institutions, no remuneration has been paid to Mr. Shailesh Bhandari. The term of re-appointment of Mr. Shailesh Bhandari, Managing Director designated as Executive Vice Chairman will be completed on 30th January, 2026.

Further, as per provisions of Section 196 of the Companies Act, 2013, the appointment and remuneration payable to Managing Director shall be approved by the Board which shall be subject to approval of shareholders and such appointment shall not exceeding five years at a time. Further, no re-appointment shall be made earlier than one year before the expiry of his term.

As per provision of Section 196(3)(i) read with provisions of Part I(c) of Schedule – V of the Companies Act, 2013, no company shall appoint or continue the employment of any person as managing director, whole-time director or manager who is below the age of twenty-one years or has attained the age of seventy years: Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person. Also, no further approval of the Central Government shall be necessary for such approval.

ANNEXURE TO THE NOTICE

Provided further that where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, at their meeting held on 29th July, 2025, pursuant to the provisions of Section 196, 197, 200, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015") (including any modification or re-enactment thereof for time being in force), the Memorandum and Articles of Association of the Company and such other approval as may be necessary, approved the re-appointment of Mr. Shailesh Bhandari (DIN: 00058866), as a Managing Director designated as an Executive Vice Chairman of the Company for a further period of five years commencing from 1st February, 2026 and concluding on 31st January, 2031, subject to approval of the shareholders of the Company in general meeting.

The Company has also received declaration from Mr. Shailesh Bhandari confirming that he is not disqualified from being appointed as a Director in terms of Section 164 and Schedule – V of the Companies Act, 2013, he has not been debarred or disqualified from being appointed or continuing as Director of any Companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs, or any such statutory authority. He has also given his consent to act as a Managing Director / Executive Vice Chairman of the Company.

Further, Mr. Shailesh Bhandari satisfies the conditions set out in Part-I of Schedule V to the Act and also conditions set out under Section 196(3) of the Companies Act, 2013 for being eligible for his re-appointment as a Managing Director designated as an Executive Vice Chairman.

The brief profile of Mr. Shailesh Bhandari is as under:

Mr. Shailesh Bhandari aged about 67 years, is B. Sc. (Economics). He is associated with the Company since its inception as its Director and he had contributed immensely to the growth of the business of the Company. His areas of responsibility are marketing and international business. He had developed a strong bond with national and international customers and gives highest priority to customer's satisfaction. He had immensely contributed in designing and developing metallurgical equipment as import substitute. He closely supervises the marketing, banking & financial activities and government relationships of the Company. He was instrumental in revival of operations of the Company after the Company has incurred heavy losses since 2012. During these difficult times, he has initiated various cost effective measures by building relationship with suppliers for longer credit period, effective working capital utilization and advance from customers, and control of manpower cost by effective utilization etc. Thereafter, there was turnaround of operations and the financial results have been improved substantially.

Further, due to his business acumen and foresight, the Company was able to arrive at settlement at appropriate time with various lenders at sustainable level. The Company had entered into settlement terms with 18 out of 19 lenders / ARC / financial institutions including full repayment of settlement amounts to 10 (Ten) banks / financial institutions. Further, during June 2022, due to his continuous and persistent approach, the Company was able to arrive at settlement with Central Bank of India at appropriate time and came out of the clutches of the proposed Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016. Under his able leadership and guidance, the Company is hopeful to arrive at settlement with remaining one lender also. He had maintained cordial relationship with all the lenders, asset reconstruction companies, financial institutions and all the stakeholders for long term sustainability.

Mr. Shailesh Bhandari has led the marketing initiatives at Electrotherm over the last more than 38 years. He has been primarily responsible for building and sustaining a very strong and large customer base for various products of the Company. Due to his persistent approach towards brand identity, the Company was successful to penetrate the products of the Company at national and international level including recognition with various government organizations.

Further, Mr. Shailesh Bhandari, Executive Vice Chairman is father of Mr. Suraj Bhandari, Managing Director of the Company. He is also a one of the Promoter of the Company.

As per provisions of Section I of Part II of Schedule – V of the Companies Act, 2013, subject to the provisions of Section 197, a company having profits in a financial year may pay remuneration to a managerial person or persons or other director or Directors not exceeding the limits specified in such section.

Further, as per provisions of Section II of Part II of Schedule – V of the Companies Act, 2013, where in any financial year during the currency of tenure of a managerial person, or other director, a company has no profits or its profits are inadequate, it may, pay remuneration to the managerial person or other director not exceeding the higher of the limits as specified in para (A) and (B) of the said section II. Provided that the remuneration in excess of limits specified in said para (A) and (B) may be paid if the resolution passed by the shareholders is a special resolution.

As per Regulation 17(6)(e) of the SEBI LODR Regulations, 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity: Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director. The remuneration payable to Mr. Shailesh Bhandari, Executive Vice Chairman and other Managing Director and Whole Time Director may exceed the aggregate limit of 5% of net profit calculated as per provisions of Section 198 of the Companies Act, 2013.

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Further, in view of the defaults in repayment of dues to the Banks / ARCs, Mr. Shailesh Bhandari has not been paid remuneration since 1st April, 2014.

Further, with regard to payment of remuneration to Mr. Shailesh Bhandari as an Executive Vice Chairman as proposed in the resolution, as per the provisions of Section 197(1) of the Companies Act, 2013, where the company has defaulted in payment of dues to any bank or public financial institution or any other secured creditor, the prior approval of the bank or public financial institution concerned or other secured creditor, as the case may, shall be obtained by the company before obtaining the approval in the general meeting. As the Company has defaulted in payment of dues to bank or financial institution, the remuneration to Mr. Shailesh Bhandari as an Executive Vice Chairman as proposed in the resolution will be paid after receipt of approval of the concerned banks or financial institutions or on cessation of default on amicable settlement with the concerned banks or financial institutions, without further approval from the shareholders.

The terms of re-appointment and remuneration proposed to be paid to Mr. Shailesh Bhandari is specified in the resolution.

Further, based on the leadership guidance, experience, expertise, his immense contribution to the growth of the Company and to steer the Company in the challenging times, the Nomination and Remuneration Committee recommended to re-appoint Mr. Shailesh Bhandari as a Managing Director designated as an Executive Vice Chairman for a period of 5 years commencing from 01st February, 2026 to 31st January, 2031, subject to approval of the Board of Directors and shareholders of the Company, as per term of re-appointment including remuneration as mentioned in proposed resolution.

Information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 regarding re-appointment of Mr. Shailesh Bhandari as a Managing Director designated as an Executive Vice Chairman is attached hereto.

As per the provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013, the appointment and remuneration of Managing Director shall be subject to approval by a resolution of the shareholders in general meeting. Further, Mr. Shailesh Bhandari will have attended the age of 70 years in the year 2028. Also, overall remuneration of Mr. Shailesh Bhandari and other Managing Director and Whole Time Director may exceed the limit as prescribed under Regulation 17(6)(e) of the SEBI LODR Regulations, 2015. As such, the Board recommends the special resolution as set out at item no. 5 for re-appointment of Mr. Shailesh Bhandari as a Managing Director designated as an Executive Vice Chairman for approval of the Shareholders.

The above along with resolution may be treated as a written memorandum setting out the terms of re-appointment and remuneration of Mr. Shailesh Bhandari as required under Section 190 of the Companies Act, 2013.

Mr. Shailesh Bhandari, Mr. Suraj Bhandari and their relatives may be deemed to be concerned or interested, financially or otherwise in the proposed resolution and none of the other Director(s), Key Managerial Personnel of the Company or their relatives are, in

any way, concerned or interested, financially or otherwise in the proposed resolution.

ITEM NO. 6:

Mr. Suraj Bhandari (DIN: 07296523) was re-appointed as a Whole-time Director with effect from 13th November, 2022 for a period of 3 (three) years upto 12th November, 2025 with a monthly salary of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand Only). Thereafter, he was elevated and re-designated as a Managing Director with effect from 9th February, 2024 for the balance tenure of the appointment and entrusted with substantial powers of management to manage the affairs of 'Engineering and Technologies Division' of the Company. Further, in view of the default in repayment of loan and in absence of the approval of the bank or financial institutions, no remuneration has been paid to Mr. Suraj Bhandari. The term of re-appointment of Mr. Suraj Bhandari as a Managing Director will be completed on 12th November, 2025.

Further, as per provisions of Section 196 of the Companies Act, 2013, the appointment and remuneration payable to Managing Director shall be approved by the Board which shall be subject to approval of shareholders and such appointment shall not exceeding five years at a time. Further, no re-appointment shall be made earlier than one year before the expiry of his term.

As per provision of Section 196(3)(i) read with provisions of Part I(c) of Schedule – V of the Companies Act, 2013, no company shall appoint or continue the employment of any person as managing director, whole-time director or manager who is below the age of twenty-one years or has attained the age of seventy years: Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person. Also, no further approval of the Central Government shall be necessary for such approval.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, at their meeting held on 29th July, 2025, pursuant to the provisions of Section 196, 197, 200, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015") (including any modification or re-enactment thereof for time being in force), the Memorandum and Articles of Association of the Company and such other approval as may be necessary, approved the re-appointment of Mr. Suraj Bhandari (DIN: 07296523), as a Managing Director of the Company for a further period of five years commencing from 13th November, 2025 and concluding on 12th November, 2030, subject to approval of the shareholders of the Company in general meeting.

The Company has also received declaration from Mr. Suraj Bhandari confirming that he is not disqualified from being appointed as a Director in terms of Section 164 and Schedule – V of the Companies Act, 2013, he has not been debarred or disqualified from being appointed or continuing as Director of any Companies by the Securities and Exchange Board of India (SEBI), Ministry of

ANNEXURE TO THE NOTICE

Corporate Affairs, or any such statutory authority. He has also given his consent to act as a Managing Director of the Company.

Further, Mr. Suraj Bhandari satisfies the conditions set out in Part-I of Schedule V to the Act and also conditions set out under Section 196(3) of the Companies Act, 2013 for being eligible for his re-appointment as a Managing Director.

The brief profile of Mr. Suraj Bhandari is as under:

Mr. Suraj Bhandari is aged 29 years and is Bachelor of Technology (Electrical and Electronics Engineering). Earlier, he was associated as Management Executive in Electrotherm (India) Limited for about more than 2 years and he was assisting as executive in various fields related to sales, marketing, production & planning in Engineering & Technologies Division before his appointment as a Whole-time Director with effect from 13th November, 2019. Further, during his association, he was also part of the team for getting order of first bullet caster in Gujarat region, commission of Ladle Refining Furnace (LRF) at Bellary and developing strategy for entering into new export markets for Engineering & Technologies Division. After his appointment as a Whole-time Director with effect from 13th November, 2019 and subsequent re-appointment in the year 2022, Mr. Suraj Bhandari oversees and involved in various functions related to sales, marketing, production & planning, finance, secretarial & legal and overall business administration and management of the Company. Thereafter, Mr. Suraj Bhandari has been elevated and re-designated as a Managing Director with effect from 9th February, 2024 for the balance tenure of the appointment and entrusted with substantial powers of management to manage the affairs of 'Engineering and Technologies Division' of the Company.

Further, Mr. Suraj Bhandari, Managing Director is son of Mr. Shailesh Bhandari, Executive Vice Chairman of the Company. He is also a member of Promoter Group of the Company.

As per provisions of Section I of Part II of Schedule – V of the Companies Act, 2013, subject to the provisions of Section 197, a company having profits in a financial year may pay remuneration to a managerial person or persons or other director or Directors not exceeding the limits specified in such section.

Further, as per provisions of Section II of Part II of Schedule – V of the Companies Act, 2013, where in any financial year during the currency of tenure of a managerial person, or other director, a company has no profits or its profits are inadequate, it may, pay remuneration to the managerial person or other director not exceeding the higher of the limits as specified in para (A) and (B) of the said section II. Provided that the remuneration in excess of limits specified in said para (A) and (B) may be paid if the resolution passed by the shareholders is a special resolution.

As per Regulation 17(6)(e) of the SEBI LODR Regulations, 2015, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity: Provided that the approval of the shareholders under this provision

shall be valid only till the expiry of the term of such director. The remuneration payable to Mr. Suraj Bhandari, Managing Director and other Managing Director and Whole Time Director may exceed the aggregate limit of 5% of net profit calculated as per provisions of Section 198 of the Companies Act, 2013.

Further, in view of the defaults in repayment of dues to the Banks / ARCs, Mr. Suraj Bhandari has not been paid remuneration since the date of his appointment of Whole Time Director i.e. 13th November, 2019.

Further, with regard to payment of remuneration to Mr. Suraj Bhandari as a Managing Director as proposed in the resolution, as per the provisions of Section 197(1) of the Companies Act, 2013, where the company has defaulted in payment of dues to any bank or public financial institution or any other secured creditor, the prior approval of the bank or public financial institution concerned or other secured creditor, as the case may, shall be obtained by the company before obtaining the approval in the general meeting. As the Company has defaulted in payment of dues to bank / financial institution, the remuneration to Mr. Suraj Bhandari as a Managing Director as proposed in the resolution will be paid after receipt of approval of the concerned banks or financial institutions or on cessation of default on amicable settlement with the concerned banks or financial institutions, without further approval from the shareholders.

The terms of re-appointment and remuneration proposed to be paid to Mr. Suraj Bhandari is specified in the resolution.

Further, based on the skill, experience, expertise, knowledge, valuable contribution to the growth of the Company, the Nomination and Remuneration Committee recommended to re-appoint Mr. Suraj Bhandari as a Managing Director for a period of 5 years commencing from 12th November, 2025 to 13th November, 2030, subject to approval of the Board of Directors and shareholders of the Company, as per term of re-appointment including remuneration as mentioned in proposed resolution.

Information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 regarding re-appointment of Mr. Suraj Bhandari as a Managing Director is attached hereto.

As per the provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013, the appointment and remuneration of Managing Director shall be subject to approval by a resolution of the shareholders in general meeting. Further, overall remuneration of Mr. Suraj Bhandari and other Managing Director and Whole Time Director may exceed the limit as prescribed under Regulation 17(6)(e) of the SEBI LODR Regulations, 2015. As such, the Board recommends the special resolution as set out at item no. 6 for re-appointment of Mr. Suraj Bhandari as a Managing Director for approval of the Shareholders.

The above along with resolution may be treated as a written memorandum setting out the terms of re-appointment and remuneration of Mr. Suraj Bhandari as required under Section 190 of the Companies Act, 2013.

Mr. Suraj Bhandari, Mr. Shailesh Bhandari and their relatives may be deemed to be concerned or interested, financially or otherwise

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in the proposed resolution and none of the other Director(s), Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in the proposed resolution.

ITEM NO. 7:

At present the Authorised Share Capital of the Company comprising of Rs. 78,59,00,000 (Rupees Seventy Eight Crore Fifty Nine Lacs Only) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each, 2,50,00,000 (Two Crore Fifty Lacs) 6% Non-Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten Only) each and 2,85,90,000 (Two Crore Eighty Five Lacs Ninety Thousand Only) Partially Convertible Partially Redeemable Preference Shares of Rs. 10 (Rupees Ten Only).

In terms of provisions of the Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013, the reclassification of the Authorised Share Capital and any amendment in Memorandum of Association requires approval of the Members of the Company.

The Board of Directors of the Company, in their meeting held on 29th July, 2025, has approved the re-classification of Authorised Share Capital of the Company, subject to approval of the Shareholders of the Company, as 2,85,90,000 Partially Convertible Partially Redeemable Preference Shares of Rs. 10/- will be re-classified as Equity shares of Rs. 10/- each which may facilitate the Company to issue further equity shares without being required to increase additional Authorised Share Capital of the Company and consequential alteration in Clause V of the Memorandum of Association of the Company.

A draft copy of modified Memorandum of Association of the Company, incorporating proposed alteration in Clause V, is available for inspection by the Members of the Company electronically during the normal business hours on any working day of the Company, upto the date of the General Meeting.

The resolution as set out at Item no. 7 of this Notice is accordingly recommended for your approval.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested,

financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of the 39th AGM.

ITEM NO. 8:

As per Section 14 of the Companies Act, 2013, the alteration / amendment in Articles of Association of the Company is requires approval of the Members, by way of special resolution.

As per Article 109 of Articles of Association of the Company, Mr. Mukesh Bhandari is non-rotational Director. Mr. Mukesh Bhandari ceased to be a Director of the Company in September - 2024. As such, it is proposed to alter / amend existing Article 109 of the Articles of Association of the Company, in line of provisions of 152 of the Companies Act, 2013 as mentioned in the resolution.

A draft copy of modified Articles of Association of the Company, incorporating proposed alteration in Article 109, is available for inspection by the Members of the Company electronically during the normal business hours on any working day of the Company, upto the date of the General Meeting.

The resolution as set out at Item no. 8 of this Notice is accordingly recommended for your approval.

Mr. Shailesh Bhandari and their relatives may be deemed to be concerned or interested, financially or otherwise in the proposed resolution and none of the other Director(s), Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the accompanying Notice of the 39th AGM.

**By Order of the Board of Directors
For Electrotherm (India) Limited**

**Fageshkumar R. Soni
Company Secretary
Membership No. F8218**

Registered Office:

A-1, Skylark Apartment, Satellite Road,
Satellite, Ahmedabad – 380 015

Date : 29th July, 2025

Place: Palodia

ANNEXURE TO THE NOTICE

INFORMATION REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 WITH RESPECT TO THE APPOINTMENT / RE-APPOINTMENT OF A DIRECTOR:

Name of Director	Mr. Shailesh Bhandari	Mr. Suraj Bhandari
Director Identification Number (DIN)	00058866	07296523
Age	01/07/1958 (67 years)	30/10/1995 (29 years)
Date of First Appointment on the Board	26/08/1989	13/11/2019
Qualification	B.Sc. (Economics)	B. Tech (Electrical and Electronics Engineering)
Experience / Expertise in functional areas	Mr. Shailesh Bhandari aged about 67 years, is B. Sc. (Economics). He is associated with the Company since its inception as its Director and he had contributed immensely to the growth of the business of the Company. His areas of responsibility are marketing and international business. He had developed a strong bond with national and international customers and gives highest priority to customer's satisfaction. He had immensely contributed in designing and developing metallurgical equipment as import substitute. He closely supervises the marketing, banking & financial activities and government relationships of the Company. He was instrumental in revival of operations of the Company after the Company has incurred heavy losses since 2012. During these difficult times, he has initiated various cost effective measures by building relationship with suppliers for longer credit period, effective working capital utilization and advance from customers, and control of manpower cost by effective utilization etc. Thereafter, there was turnaround of operations and the financial results have been improved substantially. Further, due to his business acumen and foresight, the Company was able to arrive at settlement at appropriate time with various lenders at sustainable level. The Company had entered into settlement terms with 18 out of 19 lenders / ARC / financial institutions including full repayment of settlement amounts to 10 (Ten) banks / financial institutions. Further, during June 2022, due to his continuous and persistent approach, the Company was able to arrive at settlement with Central Bank of India at appropriate time and came out of the clutches of the proposed Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016. Under his able leadership and guidance, the Company is hopeful to arrive at settlement with remaining one lender also. He had maintained cordial relationship with all the lenders, asset reconstruction companies, financial institutions and all the stakeholders for long term sustainability.	Mr. Suraj Bhandari was earlier associated as Management Executive in Electrotherm (India) Limited for about more than 2 years and he was assisting as executive in various fields related to sales, marketing, production & planning in Engineering & Technologies Division before his appointment as a Whole-time Director w.e.f. 13th November, 2019. Further, during his association, he was also part of the team for getting order of first bullet caster in Gujarat region, commission of Ladle Refining Furnace (LRF) at Bellary and developing strategy for entering into new export markets for Engineering & Technologies Division. After his appointment as a Whole-time Director w.e.f. 13th November, 2019 and subsequent re-appointment in the year 2022, Mr. Suraj Bhandari oversees and involved in various functions related to sales, marketing, production & planning, finance, secretarial & legal and overall business administration and management of the Company. Thereafter, he has been elevated and re-designated as a Managing Director with effect from 9th February, 2024 for the balance tenure of the appointment upto 12th November, 2025 and entrusted with substantial powers of management to manage the affairs of 'Engineering and Technologies Division' of the Company.

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Experience / Expertise in functional areas	Mr. Shailesh Bhandari has led the marketing initiatives at Electrotherm over the last more than 38 years. He has been primarily responsible for building and sustaining a very strong and large customer base for various products of the Company. Due to his persistent approach towards brand identity, the Company was successful to penetrate the products of the Company at national and international level including recognition with various government organizations. Further, Mr. Shailesh Bhandari, Managing Director has been re-designated as an Executive Vice Chairman with effect from 9th February, 2024 for the balance tenure of the appointment upto 31st January, 2026 and entrusted with substantial powers of management of affairs of the entire Company except Engineering and Technologies Division of the Company.	
Terms and conditions of appointment / re-appointment	Retire by rotation at 39th AGM and being eligible offers himself for re-appointment. Re-appointment as a Managing Director designated as an Executive Vice Chairman for a further period of five years commencing from 1st February, 2026 and concluding on 31st January, 2031	Re-appointment as a Managing Director for a further period of five years commencing from 13 th November, 2025 and concluding on 12 th November, 2030
Remuneration sought to be paid and the remuneration last drawn	No Remuneration has been paid during last year. Further, based on the recommendation of Nomination and Remuneration Committee, the remuneration proposed by Board of Directors is as mentioned in the resolution as set out at item no. 5, subject to the approval of Bank and Financial Institution.	No Remuneration has been paid during last year. Further, based on the recommendation of Nomination and Remuneration Committee, the remuneration proposed by Board of Directors is as mentioned in the resolution as set out at item no. 5, subject to the approval of Bank and Financial Institution.
No. of Shares held in the Company	8,48,275 Equity Shares	81,100 Equity Shares
Relationship with other Directors, Manager and other KMP	He is father of Mr. Suraj Bhandari, Managing Director of the Company	He is son of Mr. Shailesh Bhandari, Executive Vice Chairman of the Company
Number of Meetings of the Board held and attended during the year	4/4	4/4
Directorships held in other companies	1. Electrotherm Engineering & Projects Limited 2. Hans Ispat Limited 3. Electrotherm Services Limited 4. Shree Ram Electro Cast Limited 5. Western India Speciality Hospital Limited 6. E-Motion Power Limited 7. EIL Hospitality Private Limited 8. EIL Software Services Offshore Private Limited 9. Indus Elec-Trans Private Limited 10. EIL Technology Private Limited 11. Adroit Trading and Investment Company 12. Jayshri Petro-Yarn Private Limited 13. Electrotherm Foundation 14. Federation of Kutch Industries Associations	1. Western India Speciality Hospital Limited
Membership / Chairmanship of committees of other public companies (excluding foreign companies and Section 8 companies)	None	None

BOARD'S REPORT

To,
The Members
Electrotherm (India) Limited

Your Directors have pleasure in presenting the 39th Annual Report on the business and operations of the Company and Audited Financial Statements for the year ended on 31st March, 2025.

FINANCIAL SUMMARY OR HIGHLIGHTS:

The standalone financial performance of the Company for the year ended on 31st March, 2025 is summarized below:

(Rs. In Crore)

Particulars	2024-2025	2023-2024
Total Income	4122.92	4275.84
Total Expenses	3743.33	3851.36
Profit / (Loss) before Finance Costs, Depreciation and Amortisation	379.59	424.48
Less : Finance Costs	45.52	59.82
Depreciation and Amortisation Expenses	44.39	45.23
Profit / (Loss) before Exceptional Items and Tax	289.68	319.43
Less : Exceptional Items	106.78	-
Profit / (Loss) before Tax	396.46	319.43
Less: Tax Expenses (including Deferred Tax)	(32.14)	-
Profit / (Loss) for the Year	428.60	319.43
Other Comprehensive Income	(2.78)	(2.24)
Total Comprehensive Income	425.82	317.19
Earning Per Equity Share (Basic & Diluted before exceptional Item)	252.61	250.73
Earning Per Equity Share (Basic & Diluted after exceptional Item)	336.42	250.73

STATE OF THE COMPANY'S AFFAIRS AND OPERATIONS:

The Company is engaged in the business of manufacturing induction furnaces, TMT Bars, Ductile Iron Pipes (DI Pipes), Electric Vehicles, Transformers etc.

During the year ended on 31st March, 2025, the total income of the Company was Rs. 4122.92 Crore compared to 4275.84 Crore of previous financial year. The Profit before Finance Costs, Depreciation and Amortisation was Rs. 379.59 Crore as compared to Rs. 424.28 Crore of previous financial year. The net profit for the current financial year was Rs. 428.60 Crore as compared to Rs. 319.43 Crore of previous financial year. A detailed analysis of performance for the year is included in the Management Discussion and Analysis, which forms part of this Annual Report.

CHANGE IN NATURE OF BUSINESS:

During the financial year, there was no change in the nature of business carried out by the Company.

TRANSFER TO RESERVES:

During the financial year under review, no amount has been transferred to the General Reserve.

DIVIDEND:

In view of accumulated losses during the previous financial years and fund requirements, the Board of Directors of the Company do not recommend any dividend on Equity Shares and on Preference Shares for the year ended on 31st March, 2025.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION AFTER THE END OF FINANCIAL YEAR:

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements of the Company for the financial year 2024-2025 are prepared in compliance with applicable provisions of the Companies Act, 2013, Indian Accounting Standards ("Ind AS") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015"), which form part of this Annual Report.

BOARD'S REPORT

SUBSIDIARY / JOINT VENTURE COMPANIES:

The Company has the following subsidiaries / joint venture companies as on 31st March, 2025:

1. Hans Ispat Limited
2. Electrotherm Services Limited
3. Shree Ram Electro Cast Limited
4. Jinhua Indus Enterprises Limited
5. Jinhua Jahari Enterprises Limited (Step-down Subsidiary Company)
6. Bhaskarpara Coal Company Limited (Joint Venture Company)

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statement including the highlights of the performance of the subsidiary / joint venture companies in Form AOC-1 is attached as “Annexure – A” to this Report.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries / joint venture companies, are available on the website of the Company at <https://www.electrotherm.com/investors/annual-reports>.

Further, during the financial year 2024-2025, the Company has sold entire stake (i.e. 80.49%) in ET Elec-Trans Limited on 13th November, 2024. Consequently, ET Elec-Trans Limited ceased to be subsidiary of the Company. Except this, none of the companies have become or ceased to be subsidiaries, joint ventures or associate companies during the financial year 2024-2025.

NUMBER OF BOARD MEETINGS:

During the financial year 2024-2025, four (4) Board Meetings were held. Details of the composition of the Board and its Committees and meetings held, attendance of the Directors at such meetings and other relevant details are provided in the Corporate Governance Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

❖ Retirement by Rotation:

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Mr. Shailesh Bhandari (DIN: 00058866), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

❖ Appointment / Cessation / Continuation of Directors:

During the year 2024-2025, an ordinary resolution related to “Continuation of Directorship of Mr. Mukesh Bhandari (DIN: 00014511) as a Non-Executive Director of the Company” in terms of Regulation 17(1D) of the SEBI LODR Regulations, 2015 placed at the 38th Annual General Meeting of the Company held on Thursday, 12th September, 2024, did not pass with requisite majority. As such, Mr. Mukesh Bhandari (DIN: 00014511) ceased to be a Non-Executive Director / Director of the Company with effect from the date of 38th Annual General Meeting i.e. 12th September, 2024.

Further, on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, in their meeting held on 10th April, 2025, approved the appointment of Mr. Tushar Jani (DIN: 06745225) as an Additional Director to hold office up to the date of next Annual General Meeting or General Meeting to be convened within 3 months from the date of appointment, whichever is earlier, pursuant to the provisions of Section 161 of the Companies Act, 2013 (“Act”) and Regulation 17(1C) of the SEBI LODR Regulations, 2015.

Further, pursuant to the provisions of Section 196, 197 and 200 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Tushar Jani (DIN: 06745225) was appointed as a Whole-time Director of the Company for the period of three years commencing from 10th April, 2025 and concluding 09th April, 2028, subject to the approval of the shareholders in ensuing General Meeting. The Shareholders of the Company, approved the appointment of Mr. Tushar Jani (DIN: 06745225) as (i) a Director, liable to retire by rotation and (ii) as a Whole Time Director of the Company for a period of three years commencing from 10th April, 2025 and concluding on 9th April, 2028, by passing ordinary resolutions through postal ballot on 27th June, 2025.

❖ Key Managerial Personnel:

During the financial year 2024-2025, Mr. Chirag Shah resigned as a Chief Financial Officer of the Company with effect from 12th April, 2024. Mr. Amit Kumar Patwarika was appointed as a Chief Financial Officer of the Company with effect from 11th February, 2025.

Further, Mr. Harish Mukati was appointed as a Chief Executive Officer (Steel Division) with effect from 14th November, 2024.

Except above, there was no change in the Key Managerial Personnel during the year under review.

Further, Mr. Tushar Jani has been appointed as a Whole Time Director of the Company with effect from 10th April, 2025.

As on the date of the report, following are Key Managerial Personnel (“KMP”) of the Company as per Section 2(51) and/or Section 203 of the Companies Act, 2013:

- Mr. Shailesh Bhandari (DIN: 00058866) - Executive Vice Chairman
- Mr. Suraj Bhandari (DIN: 07296523) - Managing Director
- Mr. Tushar Jani (DIN: 06745225) – Whole Time Director
- Mr. Fageshkumar R. Soni – Company Secretary
- Mr. Harish Mukati – Chief Executive Officer (Steel Division)
- Mr. Amit Kumar Patwarika – Chief Financial Officer

❖ Declaration of Independence:

The Company has received declaration of Independence as stipulated under Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR Regulations, 2015 from all Independent Directors confirming that they meet the criteria of independence and not disqualified from

BOARD'S REPORT

appointment / continuing as an Independent Director and they have complied with the code of conduct for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. Further, pursuant to Companies (Creation and Maintenance of databank of Independent Directors) Rules 2019, Independent Directors registered their name in the Independent Director's Databank.

❖ **Annual Evaluation of Board's Performance:**

In terms of the provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and SEBI LODR Regulations, 2015, the Nomination and Remuneration Committee has carried out the annual evaluation of performance of the Board and its Committees and the Board of Directors has carried out the annual evaluation of the performance of individual directors. The manner in which the evaluation was carried out is provided in the Corporate Governance Report, which is part of this Annual Report.

❖ **Nomination and Remuneration Policy:**

The Board of Directors of the Company has, on the recommendation of Nomination and Remuneration Committee, framed and adopted a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The salient aspects of the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Annual Report. The said policy is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>.

PARTICULARS OF INVESTMENT, LOAN AND GUARANTEE:

Particulars of investment made, loan and guarantee given as covered under the Section 186 of the Companies Act, 2013, has been provided in the Note No. 5, 6 & 32 of the notes to the financial statements which form part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a CSR Committee. The Board of Directors on the recommendation of CSR Committee had approved the Corporate Social Responsibility Policy. The CSR Policy is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>. The composition and terms of reference of the CSR Committee are detailed in the enclosed Corporate Governance Report.

The Annual Report on CSR Activities during the financial year 2024-2025 forming part of this Board's Report is annexed herewith as "Annexure – B" to this report.

RELATED PARTY TRANSACTIONS:

The Company has entered into related party transactions on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties

which could be considered material in accordance with the Policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and on dealing with related party transactions as approved by the Board may be accessed on the Company's website at <https://www.electrotherm.com/investors/codes-and-policies>.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. The details of transactions with related parties for the financial year ended on 31st March, 2025 is given in Note No. 44 of the financial statements which is part of this Annual Report of the Company.

FIXED DEPOSIT:

During the financial year 2024-2025, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, there are no outstanding deposits as on 31st March, 2025.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors state that:

- a) in the preparation of the annual accounts for the financial year ended on 31st March, 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit or loss of the company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- d) the Directors had prepared the Annual Accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT:⇒ **Statutory Auditor:**

Pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Hitesh Prakash Shah & Co., Chartered Accountants (Firm Registration No. 127614W), Ahmedabad, were appointed as Statutory

BOARD'S REPORT

Auditor of the Company at the 36th Annual General Meeting held on 31st August, 2022 for a second term of five (5) years beginning from the conclusion of the 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting to be held in the year 2027.

⇒ Auditors' Report:

In the Independent Auditors' Report for the year ended on 31st March, 2025, there are certain matters of emphasis related to (a) Note No 15(c), 15(f), 15(g) and 36 in respect of non-payment of Instalments and Interest due, terms and conditions of the settlement agreement prescribing for restoration of loan amount to the original amount in case of default on account of non-compliance of said terms and conditions and treatment in the books of accounts of the assignment / settlement of debts of Asset Reconstruction Company (ARC) and Bank. (b) Note No 18 which describes the redemption of non-cumulative redeemable preference shares amounting to Rs 12.00 Crore that were due for redemption. The Company has filed a petition under Section 55(3) of the Companies Act, 2013, before the Hon'ble National Company Law Tribunal (NCLT) seeking approval for issue of Non-cumulative Redeemable Preference Shares to the existing preference shareholders of the amount equivalent to the amount of the unredeemed preference shares on the same terms and the matter is currently pending for further consideration. (c) Note No 32(a), 37 and 41 in respect of pending enquiries / notices / summons / litigation recovery / fraud proceedings against the Company and the Directors of the Company. (d) Note No 37(d)(iii) in respect of search conducted by Directorate of Enforcement, Zonal Office, Ahmedabad (ED) at the Corporate Office & factory of the company at Palodia and at the residence of Mr. Shailesh Bhandari on January 10, 2025 and consequent order of freezing certain bank accounts and vehicles by the ED. (e) Note No 39(b) in respect of confirmation / reconciliation of few accounts of "Trade Receivables", "Trade Payables", "Advance from Customers", Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties". (f) Note no. 43 which describes the execution of a Family Settlement Agreement (FSA) among the members of the Bhandari Family, who are part of the promoter group/shareholders of the Company. The agreement seeks to resolve inter se family and business matters and potentially result in changes to the shareholding and control of group entities.

The relevant Notes to accounts related to these matters of emphasis are self-explanatory.

With regard to the qualification in the Independent Auditors' Report in reference to Note No. 38 of non-provision of interest on NPA accounts of bank, on approximate basis of Rs. 131.80 Crores, for the year under consideration and total amount of such unprovided interest till date is Rs. 916.51 Crores, the Board of Directors submits that the loan account of the Company have been classified as Non-Performing Assets (NPA) by Rare Asset Reconstruction Limited (being debt assignee of Indian Overseas Bank) and the said Bank / ARC has not charged interest on the said account and

therefore provision for interest has not been made in the books of accounts.

⇒ Cost Auditor:

M/s. V. H. Savaliya & Associates, Cost Accountants, Ahmedabad, appointed as Cost Auditor, to conduct the cost audit of the Company for the financial year ending on 31st March, 2025.

Further, pursuant to the consent and certificate received from M/s. V. H. Savaliya & Associates, Cost Accountants, Ahmedabad (Membership No. 13867, FRN: 100346) and as per Section 148 and other applicable provisions if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has on the recommendation of Audit Committee appointed them as Cost Auditor, to conduct the cost audit of the Company for the financial year ending on 31st March, 2026, at a remuneration as mentioned in the notice convening the Annual General Meeting, subject to ratification of the remuneration by the Members of the Company.

Maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is applicable to the Company and accordingly such accounts and records are made and maintained by the Company.

⇒ Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI LODR Regulations 2015, the Company has appointed M/s. Shyamsingh Tomar & Associates, Practising Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2024-2025. The Secretarial Audit Report in Form No. MR-3 is annexed herewith as "**Annexure – C**" to this report.

With regard to qualifications of the Secretarial Auditor, the Board of Directors submits as under:

- (a) With regard to non-appointment of Chief Financial Officer (CFO): The Company was in process to identify the suitable candidate for the said post and appointed Mr. Amit Kumar Patwarika as a Chief Financial Officer with effect from 11th February, 2025. Upon the appointment of CFO, the Company is in compliance with the provisions of Section 203 of the Companies Act, 2013 and Regulation 26A of the SEBI LODR Regulations, 2015.
- (b) With regard to composition of the Board with less than six Director: The Company was in process to find suitable person to be appointed as a Director on the Board of the Company and thereafter, appointed Mr. Tushar Jani (DIN: 06745225) as Whole Time Director with effect from 10th April, 2025. Upon the appointment of a Director, the Company is in compliance with the provisions of Regulation 17(1) of the SEBI LODR Regulations, 2015.

BOARD'S REPORT

Further, pursuant to Regulation 24A of the SEBI LODR Regulations, 2015, subject to approval of the Shareholders in the ensuing Annual General Meeting, M/s. Bharat Prajapati & Co. Practising Company Secretaries, Ahmedabad (Membership No. FCS – 9416 & COP No. 10788), a peer reviewed firm (Peer Review Certificate No. 2367/2022) has been appointed as Secretarial Auditor of the Company to hold office for a period of five consecutive years commencing from Financial Year 2025-26 to Financial Year 2029-30. The approval of the shareholder is being obtained in the 39th Annual General Meeting (AGM).

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The information required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in “Annexure – D” which forms part of this Annual Report.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees are given in “Annexure – E” to this Annual Report.

AUDIT COMMITTEE:

The composition, terms of the reference, number of meetings and attendance at the Audit Committee meetings held during the financial year 2024-2025 are covered in the enclosed Corporate Governance Report.

As on 31st March, 2025, the Audit Committee consists of (i) Mr. Pratap Mohan, Independent Director as a Chairman (ii) Mr. Dinesh Mukati, Independent Director as a Member and (iii) Ms. Nivedita R. Sarada, Independent Director as a Member.

RISK MANAGEMENT POLICY:

The Risk Management covers various criteria for identification of key risk, action plans to mitigate those risks, review and reporting of identified risks on periodical basis etc.

In the opinion of the Board of the Directors of the Company, there are elements of risks in the nature of various legal cases including for recovery of dues and attachment of certain properties which may threaten the existence of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

Presently, there are certain significant and material orders passed by the regulator / court / tribunal which may impact the Company and its operations in future as mentioned in Note No. 37 & 41 of the standalone financial statements which is part of this Annual Report.

CORPORATE GOVERNANCE:

In compliance with the provisions of SEBI LODR Regulations, 2015, a separate report on Corporate Governance along with a certificate from a Practising Company Secretary regarding the status of compliance of conditions of corporate governance forms a part of this Annual Report.

WHISTLE BLOWER POLICY / VIGIL MECHANISM:

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated Whistle Blower Policy / Vigil Mechanism in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the SEBI LODR Regulations, 2015. The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details of the Whistle Blower Policy / Vigil Mechanism are explained in the Corporate Governance Report. The Whistle Blower Policy / Vigil Mechanism is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Regulation 34(2)(e) read with Part B of Schedule V of the SEBI LODR Regulations, 2015, Management Discussion and Analysis Report is annexed after the Board's Report and form a part of this Annual Report.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the Annual Return in form of Form MGT - 7 as on 31st March, 2025 is available on the website of the Company at <https://www.electrotherm.com/investors/annual-reports>.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has put in place adequate internal financial controls with reference to the financial statements. During the financial year, such internal financial controls were operating effectively and it is commensurate with the size, scale and complexity of the Company and the nature of business of the Company.

SECRETARIAL STANDARDS:

During the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and during the financial year, there was no complaint of sexual harassment received or disposed off or case pending for more than ninety days.

OTHER DISCLOSURES:

- a) During the financial year 2024-2025, there was no change in authorized share capital, subscribed and paid-up share capital of the Company. Also, there was no reclassification / sub-division in authorized share capital of the Company.

BOARD'S REPORT

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| <p>b) There was no reduction of share capital or buy back of shares or change in capital resulting from restructuring.</p> <p>c) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.</p> <p>d) The Company has not issued sweat equity shares to its directors or employees.</p> <p>e) The Company does not have any Employees Stock Option Scheme for its Employees / Directors.</p> <p>f) During the financial year 2024-2025, the Company has not made allotment of any securities and as such, the requirement for obtaining credit rating was not applicable to the company.</p> <p>g) The Company has filed petition under Section 55(3) of the Companies Act, 2013, before the Hon'ble National Company Law Tribunal ('NCLT'), Ahmedabad Bench, on 11th March, 2025, for approving issuance of 6% Non-Cumulative Redeemable Preference Shares ("NCRPS") of 10/- (Rupees Ten Only) each, to the existing NCRPS holders, of amount equivalent to the amount of Unredeemed Preference Shares of Rs. 12,00,00,000/- (Rupees Twelve Crore Only) on the same terms of existing 6% NCRPS, in lieu of the unredeemed preference shares; and on the issue of such further Redeemable Preference Shares, original Unredeemed Preference Shares shall be deemed to have been redeemed. The said petition is pending for further consideration. Necessary adjustment with respect to issue of NCRPS will be made upon approval by the Hon'ble NCLT.</p> <p>h) There is no money lying to unpaid / unclaimed dividend account pertaining to any of the previous years with the Company. As such the Company is not required to transfer such amount to the Investor Education and Protection Fund established by the Central Government.</p> | <p>i) The Auditor has not reported any frauds under sub-section (12) of Section 143 of the Companies Act, 2013.</p> <p>j) The details of difference between amount of valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable, as there was no valuation done at the time of one time settlement with Bank / Financial Institutions.</p> <p>k) During the financial year 2024-2025, no application is made under the Insolvency and Bankruptcy Code, 2016 ("IBC 2016") by the Company and no proceedings are pending under IBC 2016 against the Company.</p> <p>l) The Company follows the compliance of the provisions relating to the Maternity Benefit Act, 1961.</p> <p>m) During the financial year 2024-2025, the Company received a letter from Mr. Mukesh Bhandari and his family members and Mr. Shailesh Bhandari and his family members (Members of Promoter and Promoter group) about the execution of Family Settlement Agreement amongst the Bhandari Family. The Company has submitted the required disclosure to the Stock Exchanges under Regulation 30 and 30A read with clauses 5 and 5A of Part A of Schedule III to the SEBI LODR Regulations, 2015 and SEBI Master Circular dated 11th November, 2024.</p> |
|--|--|

APPRECIATION:

Your Directors wish to place on record their appreciation for the valuable co-operation and support received from the customers and suppliers, various financial institutions, banks, government authorities, auditors and shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company.

For and on behalf of the Board of Directors
Electrotherm (India) Limited

Shailesh Bhandari
 Executive Vice Chairman
 DIN : 00058866

Suraj Bhandari
 Managing Director
 DIN: 07296523

Place : Palodia
 Date : 29th July, 2025

ANNEXURE TO THE BOARD'S REPORT

ANNEXURE – A
FORM AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures

PART A: SUBSIDIARIES

Sr. No.	Name of Subsidiary	Date since when subsidiary was acquired	Reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turn-over	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	Extent of shareholding [in percentage %]
1	Jinhua Indus Enterprises Limited	11/04/2007	31/12/2024	RMB	2.06	(2.84)	1.03	1.82	0.62	-	(0.03)	-	(0.03)	-	100.00
2	Jinhua Jahari Enterprises Limited [#]	26/06/2007	31/12/2024	RMB	0.54	1.55	3.04	0.95	-	-	0.04	-	0.04	-	-
3	Hans Ispat Limited	01/06/2010	31/03/2025	INR	36.42	(117.04)	21.12	101.73	-	-	40.47	-	40.47	-	100.00
4	Electrotherm Services Limited	01/06/2010	31/03/2025	INR	0.35	(4.23)	0.31	4.19	-	-	(0.00)	-	(0.00)	-	100.00
5	Shree Ram Electro Cast Limited	20/05/2010	31/03/2025	INR	8.19	(36.48)	1.36	29.65	0.01	-	(0.00)	-	(0.00)	-	100.00*

Exchange Rate as on 31/03/2025 1 RMB = Rs. 11.770

1. Jinhua Indus Enterprises Limited, Jinhua Jahari Enterprises Limited, Shree Ram Electro Cast Limited, Electrotherm Services Limited and Hans Ispat Limited have not carried out any business activities during the financial year.
2. The Company has sold entire investment (i.e. 80.49%) stake in ET Elec-Trans Limited. As such, ET Elec-Trans Limited ceased to be subsidiary of the Company with effect from 13th November, 2024.

100% holding by Jinhua Indus Enterprises Limited.

* 5% shares of Shree Ram Electro Cast Limited are held by Electrotherm Services Limited, Subsidiary Company.

ANNEXURE TO THE BOARD'S REPORT
PART B: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in Crore)

Name of Joint Ventures	Bhaskarpara Coal Company Limited
1. Latest audited Balance Sheet Date	31/03/2025
2. Date on which the Joint Venture was associated or acquired	21/11/2008
3. Shares of Joint Ventures held by the Company on the year ended	
- No. of Shares	90,45,127 Equity Shares of Rs. 10 each
- Amount of Investment in Joint Venture	9.04
- Extend of Holding%	52.63%
4. Description of how there is significant influence	The Company is holding more than 20% of the total share capital
5. Reason why the Joint Venture is not consolidated	Not Applicable
6. Networth attributable to Shareholding as per latest audited balance sheet	7.27
7. Profit / (Loss) for the year	0.47
(i) Considered in Consolidation	0.25
(ii) Not Considered in Consolidation	0.22

1. Bhaskarpara Coal Company Limited is yet to commence operations.
2. No Company which have been liquidated or sold during the year

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Shailesh Bhandari
Executive Vice Chairman
DIN: 00058866

Suraj Bhandari
Managing Director
DIN: 07296523

Amit Kumar Patwarika
Chief Financial Officer

Fageshkumar R. Soni
Company Secretary

Place : Palodia
Date : 29th July, 2025

Harish Mukati
Chief Executive Officer (Steel Division)

ANNEXURE TO THE BOARD'S REPORT

ANNEXURE – B

Annual Report on Corporate Social Responsibility (CSR) Activities for financial Year 2024-25

1. Brief outline on CSR Policy of the Company:

The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

As per the CSR Policy, the CSR activities to be undertaken by the Company are as specified in Schedule VII of the Companies Act, 2013, which *inter alia*, includes promoting education, eradicating hunger, disaster management, empowering women, animal welfare, preventive health care etc.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Shailesh Bhandari	Chairman (Executive Vice Chairman)	3	3
2.	Mr. Dinesh Mukati	Member (Non-Executive & Independent Director)	3	3
3.	Mr. Pratap Mohan	Member (Non-Executive & Independent Director)	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.electrotherm.com.

4. Provide the Executive summary alongwith weblink(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : As the average CSR obligation of the Company during the financial year is less than ten crore rupees, impact assessment of CSR projects is not applicable.

5. (a) Average net profit of the company as per section 135(5) : Rs. 110.11 Crore
 (b) Two percent of average net profit of the company as per section 135(5) : Rs. 2.20 Crore
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
 (d) Amount required to be set off for the financial year; if any : Rs. 0.04 Crore
 (e) Total CSR obligation for the financial year (5b+5c-5d) : Rs. 2.16 Crore
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : Rs. 0.705 Crore
 (b) Annual spent in Administration Overheads : Nil
 (c) Amount spent in Impact assessment, if applicable : Nil
 (d) Total amount spent in the financial year (a)+(b)+(c) : Rs. 0.705 Crore
- (e) CSR amount spent or unspent for the financial year;

Total Amount Spent for the Financial Year (Rs. in Crore)	Amount Unspent (Rs. in Crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of Transfer	Name of the Fund	Amount.	Date of Transfer
0.705	1.9625 [§]	30-04-2025 [#]		--	

[§]CSR obligation as per Section 135(5) (i.e. 2% of net profit) was Rs. 2.16 Crore (after set off Rs. 0.04 Crore for the previous financial year). However, the Board of Directors of the Company have approved CSR budget of Rs. 2.668 Crore for financial year 2024-25 (after set off Rs. 0.04 Crore for the previous financial year). The excess amount will be set off in upcoming financial year in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

ANNEXURE TO THE BOARD'S REPORT

"The unspent CSR amount was transferred to a separate bank account (in place of special account, which could not be opened due to some technical difficulty and the Company was in process to open the special bank account), within a period of thirty days from the end of the financial year in compliance with section 135(6) of the Companies Act, 2013. Thereafter, the fund was transferred from separate bank account to special account on 29th May, 2025.

(f) Excess amount for set-off if any:

Sr. No.	Particulars	Amount (Rs. In Crore)
(i)	Two percent of average net profit of the company as per sub section 5 of section 135	2.16*
(ii)	Total amount spent for the financial year	0.705
(iii)	Excess amount spent for the financial year [(ii)-(i)]	(1.455)
(iv)	Surplus arise out of CSR Project or Programme or Activities of the Previous Financial years, if any.	-
(v)	Amount available for set-off for the succeeding financial years [(iii)-(iv)]	(1.455)

*The amount spent on the CSR activities for the financial year includes the set-off of the excess amount of Rs. 0.04 crore spent by the Company on CSR activities in the previous financial year.

7. Details of unspent Corporate Social Responsibility amount spent for the preceding three financial years;

(1)	(2)	(3)	(4)	(5)	(5)		(6)	(7)
Sr. No.	Preceding financial years	Amount transferred to Unspent CSR account under sub-section 6 of section 135 (Rs. In Crores)	Balance amount in Unspent CSR account under sub-section 6 of section 135 (Rs. In Crores)	Amount spent in the financial year (Rs. In Crores)	Amount transferred to a fund as specified under schedule VII as per second proviso to sub section 5 section 135 if any		Amount remaining to be spend in the succeeding financial years (Rs. In Crores)	Deficiency if any
					Amt. (Rs. Crores)	Date of Transfer		
1.	2021-22	1.38	1.29	0.09	-	-	1.29	-
2.	2022-23	-	1.29	-	-	-	1.29	-
3.	2023-24	-	1.29	1.29	-	-	-	-

8. Whether any capital assets have been created or acquired through corporate Social Responsibility amount spent in the financial year: No

9. Specify the reason(s) if the company has failed to spend two percent of the average net profit as per sub section (5) of Section 135: Not applicable

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Dinesh Mukati
Chairman

Shailesh Bhandari
Executive Vice Chairman and
Chairman - CSR Committee

Place : Palodia
Date : 29th July, 2025

DIN: 07909551

DIN: 00058866

ANNEXURE TO THE BOARD'S REPORT

ANNEXURE – C
FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2025[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Electrotherm (India) Limited
A-1, Skylark Apartment,
Satellite Road, Satellite,
Ahmedabad – 380015

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Electrotherm (India) Limited (CIN:L29249GJ1986PLC009126)** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2025** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Electrotherm (India) Limited** for the financial year ended on **31st March, 2025** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendment thereof;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the amendment thereof;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);
- (vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis other than fiscal and labour laws which are generally applicable to all manufacturing / trading companies, the following laws / acts are also, inter alia, specifically applicable to the Company:-
 1. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder;
 2. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975;
 3. Environment Protection Act, 1986 and the rules, notifications issued thereunder;
 4. Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008; and
 5. Motor Vehicles Act, 1988 to the extent of product certification before production and from time to time primarily in respect of vehicles manufactured by the Company.

I have also examined compliance with the applicable clauses of the following:

ANNEXURE TO THE BOARD'S REPORT

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the "SEBI LODR Regulations, 2015"].

I further report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except followings:

- (i) *The Company had not appointed Chief Financial Officer (CFO) till 10th February, 2025 from the date of resignation of Mr. Chirag Shah on 12th April, 2024. Further, (a) as per Regulation 26A of the SEBI LODR Regulations, 2015, the Company is required to fill the vacancy of CFO at the earliest and in any case not later than three months from the date of such vacancy; and (b) as per Section 203 of the Companies Act, 2013 read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, within six months from the date of such vacancy.*
- (ii) *The Board was comprised with less than six directors till 9th April, 2025 caused by cessation of Mr. Mukesh Bhandari on 12th September, 2024. As per Regulation 17(1) of SEBI LODR Regulations, 2015, the Board of Directors of the listed entity shall comprise of not less than six Director. Further, the Company would require to fill up such vacancy in accordance with the Regulation 17(1E), and appoint a Director, at the earliest and in any case not later than three months from the date of such vacancy. Further, BSE and NSE, each, has imposed total fine of Rs. 6,43,100/- for the quarter ended on 31st December, 2024 and 31st March, 2025. The Company has paid the said fines.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were usually sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there was no specific events / actions having major bearing on the Company's affairs except the following:

- (a) Mr. Siddharth Bhandari, one of the Promoter group and erstwhile Whole-time Director and Dr. Rakesh Bhandari, one of the Promoter group of the Company ("Petitioners") has filed two separate petitions (CP No. 93 / 2018 and CP No. 94 / 2018) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 149, 150, 152, 159 and 176 of the Companies Act, 2013 *inter alia*, for declaring the appointment of four independent directors as null and void from their respective dates of appointment being violative of provisions of section 149 and 150 and other related provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014. The interim order dated May 4, 2021 passed by the Hon'ble NCLT, Ahmedabad for joint signature of Mr. Siddharth Bhandari in bank accounts, policy decisions affecting smooth running of company as a going concern etc. was challenged by Mr. Shailesh Bhandari & Company before Hon'ble NCLAT and thereafter, before Hon'ble Supreme Court of India. After granting stay on joint signature in bank accounts by the Hon'ble NCLAT and Hon'ble Supreme Court of India, the appeals were finally disposed of. Therefore, there was joint signature of Mr. Siddharth Bhandari in bank accounts during the interregnum period during the financial year 2022-23. The CP No. 93 / 2018 and CP No. 94 / 2018 was finally heard by the Hon'ble NCLT, Ahmedabad and the said petitions were disposed of on January 11, 2023 as not maintainable and vacated all interim orders. The Petitioners have challenged the order dated January 11, 2023 before the Hon'ble NCLAT and on August 23, 2024, the Appellants have withdrawn the appeals from the Hon'ble NCLAT.

- (b) Mr. Siddharth Bhandari, Mr. Mukesh Bhandari and Dr. Rakesh Bhandari ("Petitioners") has filed a petition (CP No. 5/2022) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013 against the Company, Mr. Shailesh Bhandari & Others. The Hon'ble NCLT has issued notice to respondents and directed to file reply on interim relief and maintainability. The Company has filed its reply on interim relief and maintainability.

During the pendency of this petition, the Petitioners have filed an Interlocutory Application No. 55 / 2022 in CP No. 5 / 2022 to restrain the Company from holding Board Meeting dated August 2, 2022 and stay some of the agenda items. The Hon'ble NCLT, Ahmedabad by order dated August 24, 2022 not granted any stay and rejected the application as misconceived and not maintainable. The Petitioners have challenged the order dated August 24, 2022 before the Hon'ble NCLAT and the Hon'ble NCLAT by order dated November 29, 2022 dismissed the appeal. The Petitioners have challenged the order dated November 29, 2022 before the Hon'ble Supreme Court of India and the civil appeal is pending for hearing before the Hon'ble Supreme Court of India.

The Petitioners have also filed an Interlocutory Application No. 5 / 2024 in CP No. 5 / 2022 for various reliefs including joint signature in bank accounts. The Hon'ble NCLT, Ahmedabad by order dated March 19, 2024 dismissed the application. The Petitioners have also filed an Interlocutory Application No. 82 / 2024 for various relief to access the company premises

ANNEXURE TO THE BOARD'S REPORT

and books of accounts etc. The Petitioners have also filed an Interlocutory Application No. 91 / 2024 for various relief including to maintain status quo of board of directors etc. The Hon'ble NCLT, Ahmedabad by order dated September 12, 2024 dismissed the application. The Petitioners have filed appeal before Hon'ble NCLAT against order dated September 12, 2024, however the same was disposed of on October 23, 2024 with direction to Ld. NCLT to dispose of main petition expeditiously, preferably within 8 weeks after decision on maintainability.

The Hon'ble NCLT by order dated October 25, 2024 dismissed CP No. 5 / 2022 as not maintainable alongwith pending Interlocutory Application.

- (c) Ministry of Corporate Affairs, Office of the Regional Director, North-Western Region, Ahmedabad has in October, 2018 initiated inspection of books of accounts and other records under section 206(5) of the Companies Act, 2013. Thereafter, the Regional Director has issued letter for violations / irregularities of the Companies Act, 1956 / 2013 and the Company has replied to the same. Based on the same, the Registrar of Companies, Gujarat has issued letter for violations of Section 128(1), 129(1), 129(5), 133 read with Schedule III of the provisions of the Companies Act, 2013 and initiated prosecution against Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari, Mr. Siddharth Bhandari, Managing Directors / Whole-time Director & Late Mr. Pawan Gaur, Chief Financial Officer of the Company. Mr. Shailesh Bhandari, Mr. Avinash Bhandari & Late Mr. Pawan Gaur have challenged the said prosecution before the Hon'ble Gujarat High Court under section 463 of the Companies Act, 2013 and on October 29, 2024, the Hon'ble Gujarat High Court granted ad-interim relief of stay on the prosecution. The said petition is pending for hearing before the Hon'ble Gujarat High Court.

Further the office of Regional Director vide letter / order dated December 24, 2019 informed the Company about investigation into the affairs of the Company under section 210(1)(c) of the Companies Act, 2013. Thereafter, the Company was directed to furnish documents / information and the Company has challenged the said investigation before the Hon'ble Gujarat High Court. As the petition was rejected by the Hon'ble Gujarat High Court, the Company has challenged the same before division bench by filing Letters Patent Appeal and the division bench of the Hon'ble Gujarat High Court has passed order for continuation of investigation and that if the report recommends closure of the proceedings, no further orders may be necessary, however, if the report

recommends some coercive measures to be taken, then the Central Government or the competent authority may not take any such decision without leave of the Court. The Letters Patent Appeal is pending awaiting the appropriate report of investigation under Section 210 of the Companies Act, 2013.

Further with regard to the two prosecutions filed by Registrar of Companies, Gujarat against Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari, Mr. Siddharth Bhandari, Managing Directors / Whole-time Director & Late Mr. Pawan Gaur, Chief Financial Officer and Mr. Fageshkumar Soni, Company Secretary of the Company under section 447 – 448 of the Companies Act, 2013 for failing to furnish material facts related to related party transactions for the financial year 2017 and 2018, Mr. Shailesh Bhandari, Mr. Avinash Bhandari & Mr. Fageshkumar Soni challenged the said prosecution before Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court by order dated December 12, 2024 and February 17, 2025 granted interim relief of stay on the said two prosecutions qua the applicants. The said petitions are pending for further hearing before the Hon'ble Gujarat High Court.

- (d) The Company has sold its entire (i.e. 80.49%) stake / investment in ET Elec-Trans Limited on 13th November, 2024 and consequently, ET Elec-Trans Limited ceased to be subsidiary company.
- (e) The Company received a letter dated 29th March, 2025 from Mr. Mukesh Bhandari, Promoter and his family members and Mr. Shailesh Bhandari, Promoter and his family members, informing the Company about execution of Family Settlement Agreement amongst the Bhandari Family and accordingly, the Company has submitted disclosure in terms of Regulation 30 and 30A read with clauses 5 and 5A of Para A of Part A of Schedule III to the SEBI LODR Regulations, 2015, and the SEBI Master Circular dated November 11, 2024.

For, **SHYAMSINGH TOMAR & ASSOCIATES**
Company Secretaries

Shyamsingh R. Tomar
[Proprietor]
FCS No.: 12345
COP: 15973

Date: 29/07/2025
Place: Ahmedabad

PR No.: 1076/2021
UDIN: F012345G000879684

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE TO THE BOARD'S REPORT**'ANNEXURE A'**

To
The Members,
Electrotherm (India) Limited
A-1, Skylark Apartment,
Satellite Road, Satellite,
Ahmedabad – 380015

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records and procedures followed by the Company with respect to secretarial compliance.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the applicable laws such as direct and indirect tax laws and maintenance of financial records and books of account have not been review in this audit since the same have been subject to review by the statutory financial auditor, tax auditors and other designated Professionals.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **SHYAMSINGH TOMAR & ASSOCIATES**
Company Secretaries

Shyamsingh R. Tomar
[Proprietor]

FCS No.: 12345

COP: 15973

PR No.: 1076/2021

UDIN: F012345G000879684

Date: 29/07/2025
Place: Ahmedabad

ANNEXURE TO THE BOARD'S REPORT

ANNEXURE – D

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY:

During the last few years, the Company has taken various steps for conversion of energy and using alternate sources of energy by making capital investment on energy conservation equipments, which are as under:

(i) Steps taken or impact on conservation of energy

- Refractory of Kiln-1 to improve the thermal efficiency
- Replacement of APH Tubes in boiler to reduce the temperature loss resulting into conservation of energy
- Installation of CT Fan-2 to reduce power consumption from 60 KW to 52 KW per hour
- Decline power consumption by installing new gear box replacing old
- Installation of remote light system for energy conservation in plant shop floors
- Introduced various VFDs to improve energy efficiencies.
- Underground HT cables routes converting into Overhead.
- Improving direct rolling avoid reheating of billet into Rolling mills.
- 600kVAR APFC Panel (Reactor) installed at Palodia plant to improve PF leads to avail rebate from electricity company - UGVCL. Power Factor maintained up to 0.997 to 0.999.
- Oxygen gas 21212Nm3 generated from Oxygen plant leads to full utilization of available gas, which was lost in case of bottles (residual gases left in gas bottles).
- Individual breaker installed at testing set ups to avoid whole plant tripping in case of any mishap in testing set up.
- Replaced reciprocating air compressor with screw compressor with VFD leads to optimization of power consumption.
- Induction brazing process adopted and implemented to eliminate the usage of Oxy-Acetylene gas brazing process.
- Installed HTMC panel at incoming power switch yard (material gate) to improve protection system (e.g. short circuit, earth fault, overload etc.) and avoid tripping at UGVCL line.

(ii) The Steps taken for utilizing alternate sources of energy

- Steel Division has taken approx. 17 MW of renewable power through open access.
- Engineering & Technologies Division captively utilizing solar energy through roof top solar units installed at various workshop sheds.

(iii) Capital investment on energy conservation equipment's:

- Capital investment towards the efforts for energy efficiency improvements at Steel Division:

Sr. No.	Description of Energy Efficiency improvement measures	Category	Investment (Lac Rupees)	Verified Savings (Lac Rupees)	Verified Energy Savings	Unit	Fuel
1	Refractory relining in Kiln-1	DRI	150	48.08	434.5	TOE	Imp. Coal
2	Replacement of APH tubes in AFBC Boiler -2	CPP	8.84	45.78	506.7	TOE	Imp. Coal
3	Improving Turbine's vacuum by Condenser cleaning through water jetting & tube replacement	CPP	19.70	217.17	2,392.2	TOE	Imp. Coal
4	Variable speed drive installation of CT fan 2 at 30 MW cooling tower	CPP / Utility	2.75	7.2	9,600	kWh	-
5	Installation of gearbox in at roller table-3,4 in Rolling Milling section	Rolling Mill	1.86	7.96	93,720	kWh	-
6	Installation of DC Motor in place of hydraulic system	Rolling Mill	6.88	1.92	22,638	kWh	-

ANNEXURE TO THE BOARD'S REPORT

Sr. No.	Description of Energy Efficiency improvement measures	Category	Investment (Lac Rupees)	Verified Savings (Lac Rupees)	Verified Energy Savings	Unit	Fuel
7	Installation of new remote light system	General Plant	0.35	1.34	15,840	kWh	-
8	VFD Installation on Coke dryer motor.	Blast Furnace	7.50	18.90	2,70,000	kWh	-
9	Compressed air consumption to be reduce by increasing Ash conveying system and bag filter's purging timer OFF TIME.	DRI / CPP	Nil	3.71	39,150	kWh	-
10	Common pump installed for ABC and Silo unloading system (Two Separate pumps running for kiln ABC water nozzles and Silo 1 & 2 fly ash unloading Pug mill water nozzles)	DRI	1.40	0.64	6,750	kWh	-
11	Individual pressure reducing valve installed for both kilns ABC water line to fulfil individual pressure requirement with One pump.	DRI	0.39	0.71	7,500	kWh	-
12	Install APFC panel in DIP 1&2	DIP	32.5	28.25	35,66,880	kWh	-

* TOE = Tonne of Oil Equivalent

* 1 TOE = 11630 kWh = 11.63 MWh

B. TECHNOLOGY ABSORPTION:
(i) The efforts made towards technology absorption

- Installed first of its kind 20 MW / 35 MT Induction furnace which will operate at 10 KV system will have better operational and energy efficiency
- 26MW / 50MT induction Difoc Model – This model, which is completely digitalized and automated, was commissioned and running successfully in field.
- Modifying AFBC for utilizing process by product char.
- Introduced multistage speed control in centrifugal casting machines for fine control over quality of pipe casted.
- Mold profile change from OEM resulted into better operational efficiency

(ii) Benefits derived like product improvement, cost reduction, product development, import substitution etc.

- better operational and energy efficiency

(iii) Imported Technology: None
(iv) Expenditure incurred on Research and Development: NIL
C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Foreign exchange Earning : Rs. 238.89 Crore
2. Foreign Exchange Out Go : Rs. 89.29 Crore

For and on behalf of the Board of Directors
Electrotherm (India) Limited

Place : Palodia
Date : 29th July, 2025

Shailesh Bhandari
Executive Vice Chairman
DIN : 00058866

Suraj Bhandari
Managing Director
DIN: 07296523

ANNEXURE TO THE BOARD'S REPORT

ANNEXURE – E

PARTICULARS OF EMPLOYEES

Disclosures as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Directors & Key Managerial Personnel (KMP) in the Financial Year:

Sr. No.	Name of Director / KMP	Designation	Ratio of Remuneration of each Director to Median Remuneration to employees	Percentage increase in Remuneration during FY 2024-2025
1.	Mr. Dinesh Mukati ⁽¹⁾	Non-Executive Chairman & Independent Director	1.57	Nil
2.	Mr. Shailesh Bhandari	Executive Vice Chairman	Nil	
3.	Mr. Suraj Bhandari	Managing Director	Nil	
4.	Mr. Pratap Mohan ⁽¹⁾	Independent Director	1.60	
5.	Ms. Nivedita R. Sarda ⁽¹⁾	Independent Director	1.39	
6.	Mr. Fageshkumar R. Soni	Company Secretary	Not Applicable	Nil
7.	Mr. Harish Mukati ⁽²⁾	Chief Executive Officer (Steel Division)	Not Applicable	Nil
8.	Mr. Amit Kumar Patwarika ⁽³⁾	Chief Financial Officer	Not Applicable	Nil

⁽¹⁾ Reflects sitting fees.

⁽²⁾ Mr. Harish Mukati was appointed as a Chief Executive Officer (Steel Division) with effect from 14th November, 2024.

⁽³⁾ Mr. Amit Kumar Patwarika was appointed as a Chief Financial Officer with effect from 11th February, 2025.

2. The percentage increase in the median remuneration of employees in the financial year was 7.57 %
3. There were 2610 permanent employees on the rolls of the company as on 31st March, 2025.
4. The average annual increase in the salaries of the employees, other than managerial personnel was 9.29% whereas there was no increase / decrease in remuneration to the managerial personnel i.e., Managing Director and Whole Time Director.
5. The company affirms that the remuneration is as per the remuneration policy of the Company.
6. The further information required pursuant to Section 134(3)(q) and 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms a part of this report. However, as per the provisions of Sections 134 and 136 of the Act, this report is being sent excluding the information on particulars of employees, which are available for inspection by the members. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board of Directors
Electrotherm (India) Limited

Place : Palodia
Date : 29th July, 2025

Shailesh Bhandari
Executive Vice Chairman
DIN : 00058866

Suraj Bhandari
Managing Director
DIN: 07296523

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The objective of this report is to convey the Management's perspective on the performance of the company for financial year 2024-25. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Annual Report 2024-25. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ("SEBI") from time to time.

INDIA OUTLOOK

India's economic outlook for 2025-26 remains positive, with projecting robust growth despite global uncertainties. Real GDP growth is expected to be around 6.3% to 6.5% and expected to retain its position as the fastest-growing major economy. While there are some potential challenges, growth outlook for FY 2025-26 is likely to be supported by resilient domestic drivers, India's strong domestic demand, government initiatives like personal income tax cuts and the RBI rate cuts, and digital transformation are expected to help the country navigate the global uncertainties and maintain a positive growth trajectory. The Union Budget announced cuts in personal income tax amounting to ₹1 trillion. Consumer confidence has shown an uptrend, and the RBI's policy easing and liquidity support will strengthen private consumption, driven by rising real incomes that are helped by moderate inflation, recent tax cuts and a strengthening of the labour market. Investment will be supported by declining interest rates and substantial public capital spending. Inflation will remain contained at around 4% as economic activity grows around trend.

The Government of India remains focused on fiscal consolidation, employment generation, and boosting capital investment. Central government capex is budgeted at ₹11.2 trillion for FY 2025-26, versus the revised estimate of ₹10.2 trillion for FY 2024-25, this depicts the share of capital expenditure in central government spending has continued to rise, playing a critical role in infrastructure development eventually contributing to industrial development.

India, the world's second-largest steel producer recorded a robust steel consumption growth of 11.5% in FY 2024-25 with steel demand expected to grow by 8% in 2025. The consumption scenario in India was robust, however, domestic steel pricing was under pressure in FY 2024-25 amidst high lower priced imports attributed to weak global prices. India's steel demand is expected to reach 200-210 million tonnes by 2030, driven by strong expansion in infrastructure, industrialization, housing, and renewable energy.

BUSINESS OVERVIEW

Electrotherm (India) Limited ("Electrotherm") a reputed engineering and steel company, remains a most trusted brand for steel melting equipment. The company's core philosophy in business is customer satisfaction through high-quality products and excellent customer service has always put its products on preferred segment. The company's steel facilities are well connected to rail, roads and ports, which provides natural competitive advantages in terms of reliable and cost-efficient sourcing of raw materials and delivery of finished steel products to the market. The company focuses on efficient utilization of resources and cost optimization during FY 2024-25 included a focus on regional sourcing of raw materials reducing logistics costs while the Company also optimized the usage of waste heat generated from DRI plant which reduced to lower energy cost.

A. ENGINEERING & TECHNOLOGIES DIVISION:

The division remains top-notch brand in India having export footprints in over 73 countries. What make Electrotherm ahead of other manufacturers is its commitment to high quality products. The company has a quality chain where all the parts of operations are bound together, from raw material sourcing to processing, from research and development to production, from stage-wise quality inspection to delivery. Every time the company delivers an equipment, it is custom-designed and deliver it to the customers' satisfaction, and this builds a long and mutually rewarding industrial relationship. We continue to monitor the performance of our equipment through frequent client interactions and feedback. This enables us to continuously upgrade our abilities and satisfy even the most demanding customer.

The steel sector's relentless pursuit of sustainable practices and reduced carbon footprint has led to the adoption of eco-friendly production techniques, wherein Electrotherm sets a new standard in lower energy consumption, contributing towards greener environment and reducing direct expenses of its customers. Entire product range of the company equipment are the least energy consumers while the company manufactured most effective Air pollution Control Equipment. Our engineers & technicians are most valuable assets in the company their expertise in power electronics and material science are driving innovation.

In India, induction furnace market size is forecast to increase at CAGR of 7.2% for next five years, the Induction Furnace Market is witnessing significant growth, driven by the escalating demand for steel and alloys in India's burgeoning infrastructure and manufacturing sectors. The Equipment as a Service business model is gaining traction, enabling smaller enterprises to access advanced induction furnace technology without substantial upfront investment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The induction technology provides high thermal efficiency, precise temperature control, and cost optimization. The significant increase in demand for steel and alloys in India serves as the primary market driver. Induction furnaces' ability to achieve precise hardness testing and maintain deep conditions throughout the melting process is a significant advantage for manufacturers also provides cost optimization by reducing the need for extensive post-production processing.

B. SPECIAL STEEL DIVISION:

The TMT steel bar market size is forecast to increase globally at a CAGR of 4.3% in upcoming five years being highly competitive market regionally. The Indian ductile iron pipes market is estimated to grow at a CAGR of 12.50%.

Driven by the government projects, the DI Pipe industry witnessed demand surge in from first half quarter of FY 2023-24 to first half of FY 2024-25. However, the industry has been witnessing a declining trend since 3rd quarter of FY 2024-25 due to slowed Government spending on water supply projects. Notwithstanding the current subdued demand outlook, the medium to long term outlook is optimistic due to ongoing Government projects, including a higher budget allocation for the Jal Jeevan Mission in FY 2025-26, Smart Cities Mission, Narmada Valley Development Project and upcoming river linking projects. The Union Budget 2025-26 has allocated ₹74,226 crore for the Department of Drinking Water and Sanitation, with a ₹67,000 crore is earmarked for the Jal Jeevan Mission, which aims to provide tap water connections to all rural households.

The Indian TMT bar and steel industry is poised for growth driven by infrastructure development, urbanisation, and economic expansion. The esteemed infrastructure projects like Bharatmala Pariyojana, Sagarmala, a freight corridor and many others including Smart Cities Mission will give sustainable growth to steel industry. Government initiatives on infrastructure and technological advancements present significant opportunities, while there are challenges in this segment such as fluctuating raw material prices, stringent environmental regulations, and global competition.

Rising demand for Epoxy Coated TMT Bar in coastal region is the upcoming trend in the market. These bars offer superior qualities making them ideal for long term structures in bridges, dams, industrial complexes, commercial and residential buildings. Electrotherm possess one of the kind units having fully integrated manufacturing facilities for epoxy coated TMT bars and remains a market leader in Gujarat for the supply of high-quality TMT bars.

In financial year 2024-25 finished steel and pipe prices were on declined trend, however, the Special Steel Division of Electrotherm could maintain its topline in line with previous financial year with increased capacity utilization and sales of value-added products like epoxy coated TMT bars and Cut & Bend (C&B) TMT bars.

C. ELECTRIC VEHICLE DIVISION:

FY 2025 with 1.96 million units and 17% YoY growth has turned out to be another record fiscal of electric vehicle sales in India. The two-wheeler segment, which comprises scooters, motorcycles and mopeds, is the biggest contributor to India EV Inc. It is also the most affordable of all the segments which includes e-three-wheelers, passenger vehicles and commercial vehicles.

At nearly 1.15 million units retailed, the electric two-wheeler segment registered strong 21% YoY growth (FY 2024: 948,508 e2Ws). The Indian electric two-wheeler industry will be looking forward to a new fiscal with much optimism even though the subsidy levels have been watered down. Most of the leading OEMs have outlined plans to launch new products. This, along with the increased coverage of EV charging infrastructure, both private and public, will act as a catalyst for growth.

At Electrotherm, with a strong focus on technological innovation, new product development, and after-sales services, the Company emerged as a preferred brand in many parts of India. Riding on its past experiences and new technological advancements, today the electric vehicle brand of the Company "Yo Bykes" has over one and a half lac satisfied customers and a string of dealerships and servicing networks across the country and the future for "Yo Bykes" is full of learning and infinite possibilities.

FINANCIAL LIABILITY STATUS

Originally the Company had 19 lenders and ten of them have assigned their debts to Edelweiss Asset Reconstruction Company Limited ("EARC"), Invent Assets Securitisation & Reconstruction Pvt. Ltd. ("Invent ARC") and Rare Asset Reconstruction Limited ("Rare ARC").

As a part of debt resolution with lenders, the Company has One Time Settlement arrangement, wherein entire settlement amount had been paid to ICICI Bank, UCO Bank, Vijaya Bank, Syndicate Bank, International Finance Corporation, Standard Chartered Bank, Union Bank of India (including debt of Corporation Bank), Central Bank of India and Invent ARC (for debts of Oriental Bank of Commerce). Except pending settlement with Rare ARC (assignee of Indian Overseas Bank), the Company has entered into revised settlement / restructuring with all three ARCs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Segment-Wise Performance:

The business segment of the Company comprises of Engineering & Technologies Division, Special Steel Division and Electric Vehicle Division. The Segment wise performance of the Company for all the three divisions for the year ended on 31st March, 2025 is as under:

(Rs. In Crore)

Particulars	Engineering & Technologies Division	Special Steel Division	Electric Vehicle Division
Revenue from operations	1,194.50	2,931.83	24.91
Segment Profit / (Loss) Before Finance Cost & Tax	158.77	234.64	(10.07)
Capital Employed	266.61	822.87	20.65

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Revenue from operations:

The revenue from operations of the Company for the financial year ended on 31st March, 2025 was Rs. 4115.37 Crore as compared to Rs. 4271.50 Crore of previous financial year.

Cost of Materials consumed including purchase of traded goods:

The cost of materials consumed including purchase of traded goods for the financial year ended on 31st March, 2025 was Rs. 2779.35 Crore as compared to Rs. 2988.63 Crore of previous financial year.

Depreciation and amortization:

Depreciation and amortization for the financial year ended on 31st March, 2025 is Rs. 44.39 Crore as compared to Rs. 45.23 Crore of the previous financial year.

Finance Costs:

Finance costs for the financial year ended on 31st March, 2025 is of Rs. 45.52 Crore as compared to Rs. 59.82 Crore of previous financial year.

Indian Overseas Bank had classified the loan account of the Company as non-performing assets during August 2011, which was subsequently assigned to Rare Assets Reconstruction Limited ("Rare ARC"), but with whom the settlement terms have not been entered into. Further, the Hon'ble Debt Recovery Tribunal (DRT), Ahmedabad has passed judgment against Company & personal guarantors for recovery along with future interest on the amount due @12.75% p.a. with monthly rests. As per the details available with the company, the amount of unprovided interest, on approximate basis, on the said loan is Rs. 131.80 Crore for the year under consideration and the total amount of such unprovided interest till 31st March 2025 is Rs. 916.51 Crore.

Profit / (Loss) Analysis:

The Profit before Finance Costs, Depreciation and Amortisation was Rs. 379.59 Crore as compared to Rs. 424.48 Crore of previous financial year. The net profit for the current financial year (excluding exceptional items & deferred tax) was Rs. 289.68 Crore as compared to net profit of Rs. 319.43 Crore of previous financial year.

Key Ratios:

Pursuant to Regulation 34 of the SEBI LODR Regulations, 2015, the details of the key financial ratios of the Company and comparison to previous year has been provided in Note No. 51 to standalone financial statements of the Company.

RISK AND CONCERNS

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks in the operations of the Company.

At present, there are elements of risks in the nature of various legal cases including for recovery of dues and attachment of certain properties which may threaten the existence of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Internal Control System is designed to prevent operational risks through a framework of internal controls and processes. The Company has in place adequate system of internal control and internal audit commensurate with its size and the nature of its operations. Our internal control system ensures that all business transactions are recorded in a timely manner, resources are utilized effectively and our assets are safeguarded. Internal Audit is conducted by experienced Chartered Accountants in close coordination with company's Finance, Accounts and other departments of the Company. The findings of the Internal Audit team are discussed internally with the Executive Directors as well as in Audit Committee Meetings and their suggestion for improvement & strengthening is reviewed by the Audit Committee / Board. The Company is in process to strengthen its internal control system by implementing Standard Operating Procedures (SOP) for all its major areas under the guidance of Audit Committee / Board.

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The employees are the most valuable assets of Electrotherm. The Company on regular basis takes initiatives to provide training to its employees on environment, health and safety and also provide training on soft skill up-gradation to improve their skills as may be relevant to the respective functions. We are sincerely grateful to all employees for their close and constructive cooperation in the year 2024-2025. We were able to achieve progress against many strategic challenges and continuing that partnership will be a key to implementing the significant changes announced under Human Resource Development Strategy. The Company also hire contract labour on time-to-time basis for success and growth of the Company. As on 31st March, 2025, there were 2610 Permanent employees employed by the company.

Further, Human Resource Development organizes an outing for all on-roll employees to boost morale, strengthen team bonds and provides a refreshing break from the usual work environment which creates a memorable experience that enhances employee engagement and fosters a positive work environment. During the year 2024-2025, we could (i) achieved 6.39 training man-days per employee covering 81.7% employees, (ii) trained 41 customer service engineers on product knowledge & automation (iv) achieved overall skill % of plant @ 67% (v) contractual manpower pipeline is more skilled with 30 Level-3 & 148 Level-2 operators under various skill sets.

The Company develops the training programs by assessing required skills and imparting such skills to fulfil the skill gaps which make directly contribute to the human & machine efficiency & to our overall business performance. On TEI front, employee participation is 100% & our Kaizen team Maestro won Gold Trophy at ICQCC 2024 organized by SLAAQP Sri Lanka, held at Colombo.

The Human Resources Development Strategy provides transparency on the company's employee metrics and how we are translating our strategic priorities into action. It helped to achieve the goals in organizational culture; diversity and inclusion; talent and development; talent acquisition; compensation and benefits; managing change; and collaboration with our social partners.

For Electrotherm, investing in our employees remains of paramount importance. The success of Human Resource Development Strategy will depend in part on our ability to retain, motivate, develop, and continue to attract employees with the skills and experience to help the challenges and make the most of opportunities.

HEALTH & SAFETY

We value the human life and believe, all injuries are preventable. Our aim is zero accident. We are committed to conduct all our operations in a manner, so as to avoid harm to employees, contractors, workmen, visitors, local public and the environment. This responsibility starts with each one of us.

The Company has made necessary arrangement to ensure that the employees and stakeholders are safe and comfortable at work place.

We provide safe machines and need based Personal Protective Equipments to employees to reduce risk at work place. We create awareness among employees / vendors / contractors through training and partner to demonstrate our commitment and involvement, responsibility and accountability to achieve HSE performance and provide a safe and healthy work environment for all employees.

During the year 2024-2025, we conducted 28 safety related training programs.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. We also wish to keep the environment clean and safe for the society by adhering to the best industrial practices, adopting best technologies and investing in greener initiatives, and so on. It is our intent to make a positive contribution to the society in which the Company lives and operates. CSR is an evolving business practice at Electrotherm that incorporates sustainable development into a company's business model and leaving a positive impact on social, economic and environmental factors.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

At Electrotherm our purpose is to improve the quality of life of the communities, we serve and we also believe in returning to the society, what we earn. We also focus majorily on rural development and environment friendly initiatives, providing healthcare facilities to nearby villagers, focusing on education, and much more. Our CSR approach stands for eradicating extreme poverty & hunger, health & sanitation, basic needs fulfillment (sharing & caring), ensure environment sustainability, animal welfare activities in nearby villages etc.

Being Social cause, during the year 2024-25, the Company has undertaken 'Oxygen Park' – Garden Development Project, in consultation with Ahmedabad Municipal Corporation (AMC), at South Bopal, Ahmedabad, Gujarat with aim to promote environment sustainability and enhance community well-being. The Company has also undertaken CSR activities related to provide medical / health care facilities through Shree Jalaram Abhyuday Sadbhavna Trust, Ahmedabad, by providing 'Fresenius Kabi Apheresis Machine' for medical treatment of children suffering from Thalassemia. The said trust focuses on improving the lives of children with blood disorders, particularly thalassemia. Further, the Company has also undertaken CSR activities related to promoting education and promoting & preventing health care through Vishv Umiya Foundation, Ahmedabad.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis detailing Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" with the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the company conducts its business and other factors such as litigation.

CORPORATE GOVERNANCE REPORT

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Electrotherm (India) Limited believes that Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the company's objective of enhancing shareholder value and discharge of social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders.

Electrotherm (India) Limited remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. The Company strongly believes that sound and unambiguous system of Corporate Governance practices go a long way in enhancing shareholder value and retaining investor trust and preserving the interest of all stakeholders in a context where ethics and values are under siege.

The Company is in compliance with Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015").

2. BOARD OF DIRECTORS:

On the date this report, the Board of Directors of the Company is having optimum combination of Executive and Non-Executive Directors. Further, from 13th September, 2024, till end of financial year 31st March, 2025 and thereafter till 9th April, 2025, the Board of Directors comprised of five (5) Directors. Further, on the date this report, the Board of the Company comprises of six (6) Directors out of which three are Executive Directors and three are Non-Executive / Independent Directors (including Woman Director).

The details of composition of Board, category of all Directors as well as their Directorship / Membership in other Companies / Committees as on 31st March, 2025, are given below:

Sr. No.	Name of Director	Category	Number of other Directorship and Other Committee Membership / Chairmanship			Particulars of Directorship in other Listed Entities		No. of Equity Shares held in the Company
			Directorship	Committee Membership	Committee Chairmanship	Name of the Company	Category of Directorship	
1.	Mr. Dinesh Mukati (Chairman)	Non-Executive & Independent Director	-	-	-	-	-	3,250
2.	Mr. Shailesh Bhandari (Executive Vice Chairman)	Promoter & Executive Director	14	-	-	-	-	8,48,275 [§]
3.	Mr. Suraj Bhandari (Managing Director)	Promoter Group & Executive Director	1	-	-	-	-	81,100
4.	Ms. Nivedita R. Sarda (Woman Director)	Non-Executive & Independent Director	8	2	1	Mayur Uniquoters Limited	Independent Director	-
5.	Mr. Pratap Mohan (Director)	Non-Executive & Independent Director	-	-	-	-	-	100
6.	Mr. Tushar Jani (Whole Time Director) [#]	Executive Director	-	-	-	-	-	-

[#] Mr. Tushar Jani has been appointed as Whole Time Director with effect from 10th April, 2025.

[§]As per the Family Settlement Agreement ("FSA") executed amongst the Mukesh Bhandari Family and Shailesh Bhandari Family, on 29th March, 2025, Mr. Mukesh Bhandari will transfer 8,09,500 Equity shares (representing 6.35%) of the Company to Mr. Shailesh

CORPORATE GOVERNANCE REPORT

Bhandari, upon fulfilment of terms and conditions of FSA. Further, Mr. Mukesh Bhandari has executed voting agreement and other related documents, in favour of Mr. Shailesh Bhandari, pursuant to said FSA. Further, the mode of transfer of said shares will be off market inter-se transfer. Also, the process of actual transfer of 8,09,500 equity shares from Mr. Mukesh Bhandari to Mr. Shailesh Bhandari will be completed after the said shares of Mr. Mukesh Bhandari are free from attachment / freezing / encumbrance.

- While calculating the number of Membership / Chairmanship in Committees of other Companies, Membership / Chairmanship of only Audit Committee and Stakeholders Relationship Committee have been considered pursuant to the SEBI LODR Regulations, 2015. None of the Director is a member in more than ten committees or act as a Chairman of more than Five Committees across all companies in which he / she is a Director.
- None of the Directors are related to each other except Mr. Shailesh Bhandari is father of Mr. Suraj Bhandari.

❖ Board Meetings:

As per the provisions of Regulation 17 of the SEBI LODR Regulations, 2015, the Board of Directors meet at least four times a year and the time gap between any two Board meetings cannot be more than 120 days. During the financial year ended on 31st March, 2025, 4 (four) Board Meetings were held on 20th May, 2024, 10th August, 2024, 13th November, 2024 and 11th February, 2025.

Attendance of Directors at the Board Meetings and at the Last Annual General Meeting held on 12th September, 2024 are as under:

Name of Director	Total Board Meetings held during tenure	Attendance	
		Board Meetings	AGM held on 12 th September, 2024
Mr. Dinesh Mukati	4	4	Yes
Mr. Shailesh Bhandari	4	4	Yes
Mr. Suraj Bhandari	4	4	Yes
Mr. Mukesh Bhandari *	2	2	No
Ms. Nivedita R. Sarda	4	4	Yes
Mr. Pratap Mohan	4	4	Yes

* Mr. Mukesh Bhandari ceased to be Director / Non-Executive Director from 12th September, 2024.

All the information required to be furnished to the Board was made available to them along with detailed agenda notes.

The Board of Directors confirms that in the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI LODR Regulations, 2015 and are independent of the management.

❖ Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder and as provided in Schedule IV of the Act and SEBI LODR Regulations, 2015, (i) the Nomination and Remuneration Committee has carried out annual evaluation of performance of the Board and its Committee, in their meeting held on 10th February, 2025 (ii) the Board of Directors of the Company has carried out annual evaluation of performance of the all individual directors, in their meeting held on 11th February, 2025.

Performance of the Board is evaluated based on composition of the Board, its committees, performance of duties and obligations, governance issues etc.; and performance of the committees is evaluated based on adequacy of terms of reference of the Committee, fulfilment of key responsibilities, frequency and effectiveness of meetings etc., by the Nomination and Remuneration Committee. Further, performance evaluation of the non-independent Directors and Chairman is also carried out in terms of adherence to code of conduct, participation in board meetings, implementing corporate governance practices etc., by the Independent Directors. Further, the performance of Independent Directors is evaluated based on attendance, participation in the meetings, Leadership initiative and advisory role, raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings, etc., by the Board.

❖ Meeting of Independent Directors:

During the year under review, a separate meeting of the Independent Directors of the Company was held on 10th February, 2025 *inter alia*, to review the performance of Non-Independent Directors, Chairman and the Board as a whole and to assess the flow of information between the company management and the Board of Directors. Mr. Dinesh Mukati, Mr. Pratap Mohan and Ms. Nivedita R. Sarda, all the three Independent directors of the Company were present at the said meeting.

CORPORATE GOVERNANCE REPORT

❖ **Familiarisation Programme for Independent Directors:**

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company by providing various presentation at Board / Committee meetings from time to time. The details of the familiarisation programmes imparted to independent directors can be accessed on the website <https://www.electrotherm.com/investors/codes-and-policies>.

❖ **A chart or a matrix setting out the skills / expertise / competence of the Board of Directors:**

The Board of Directors of the Company comprises qualified members with the required skills, expertise and competence for the effective contribution to the Board and the Committees. The Board of Directors are committed to ensure that the Company is in compliance with the Corporate Governance. Your Company's Board of Directors have identified the following skills / expertise / competence to function and discharge their responsibilities effectively:

- Operations and Production	- Risk Management
- Legal & Compliance	- Marketing
- Strategic expertise	- Financial expertise
- Human Resource Development (HR)	- General Management
- Technical and Research & Development	- Product Development

The Directors have the following skills:

Sr. No.	Name of Directors	Skills / Expertise / Competencies
1.	Mr. Dinesh Mukati	Operation and Production, HR, Strategic and General Management
2.	Mr. Shailesh Bhandari	Marketing, Legal & Compliance, HR, Finance and Risk Management
3.	Mr. Suraj Bhandari	Marketing, Operation, Production, Finance, Legal & Compliance and General Management
4.	Mr. Pratap Mohan	Finance, Risk Management and Strategic
5.	Ms. Nivedita R. Sarda	Legal & Compliance, Strategic and Finance
6.	Mr. Tushar Jani [#]	Operations, Production, Product development, Technical and Research & Development and Risk Management

[#] Mr. Tushar Jani has been appointed as Whole Time Director with effect from 10th April, 2025.

3. **COMMITTEES OF BOARD:**A. **AUDIT COMMITTEE:**

The Audit Committee has been constituted as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations, 2015. The Audit Committee is mainly responsible for overseeing an organization's financial reporting, internal control systems and risk management. Further, the Audit Committee ensure that the financial statements are accurate and audits are conducted independently.

(i) **Brief description of Terms of Reference:**

The brief description of role or terms of reference of Audit Committee, as specified in Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of the Schedule II of the SEBI LODR Regulations, 2015, are as under:

- Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment of statutory auditors for any other services rendered by the statutory auditors;

CORPORATE GOVERNANCE REPORT

- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - Change, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report;
- (e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (f) Reviewing, with the management, the statement of uses / application of funds raised through as issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring utilisation of proceeds of a public issue or right issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) Approval or any subsequent modification of transactions of the Company with related parties;
- (i) Scrutiny of inter-corporate loans and investments;
- (j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (k) Evaluation of internal financial controls and risk management systems;
- (l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) Discussion with internal auditors of any significant findings and follow up thereon;
- (o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) To review the functioning of the whistle blower mechanism;
- (s) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (t) Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower.
- (u) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders, if any;
- (v) To investigate any activity within above mentioned terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- (w) Carrying out any other function as notified by the Board of Directors of the Company from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

CORPORATE GOVERNANCE REPORT**(ii) Composition of the Committee:**

The Audit Committee comprises of three Directors as Members and all the Members of Audit Committee are Independent Directors who have accounting or financial management related knowledge. The Chairman of Audit Committee is an Independent Director. The Audit Committee comprises of following Members:

- | | | | |
|----|-----------------------|---|---|
| 1. | Mr. Pratap Mohan | - | Chairman (Non-Executive & Independent Director) |
| 2. | Mr. Dinesh Mukati | - | Member (Non-Executive & Independent Director) |
| 3. | Ms. Nivedita R. Sarda | - | Member (Non-Executive & Independent Director) |

The Executive Directors, Chief Financial Officer, Chief Executive Officer, representative of Statutory Auditor, representative of Internal Auditor, as may be required are invited to present at the Audit Committee Meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

(iii) Meetings and Attendance:

During the financial year ended on 31st March, 2025, five (5) Meetings of the Audit Committee were held on 27th April, 2024, 19th May, 2024, 09th August, 2024, 12th November, 2024 and 10th February, 2025. The minutes of each Audit Committee Meeting are circulated to the members of the Audit Committee and placed at the next Board Meeting for noting. Mr. Pratap Mohan, Chairman of the Audit Committee, remained present at the 38th Annual General Meeting.

Details of Attendance at the Meetings of Audit Committee:

Name of Committee Members	Designation	Attendance
Mr. Pratap Mohan	Chairman	5 / 5
Mr. Dinesh Mukati	Member	5 / 5
Ms. Nivedita R. Sarda	Member	4 / 5

B. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been constituted as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR Regulations, 2015. Broadly, the Nomination and Remuneration Committee is responsible for *inter alia*, recommendation and approval of appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel.

(i) Brief description of Terms of Reference:

The brief description of role or terms of reference of Nomination and Remuneration Committee, as specified in Section 178 of the Companies Act, 2013 and Regulation 19 read with Para A of Part D of the Schedule II of the SEBI LODR Regulations, 2015, are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in Senior Management Personnel in accordance with the criteria laid down in the policy;
- Recommend to the Board, appointment and removal of Director and Senior Management Personnel;
- To extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To develop a succession plan for the Board and to regularly review the plan.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

CORPORATE GOVERNANCE REPORT

(ii) Composition of the Committee:

The Nomination and Remuneration Committee comprises of three Directors as Members and all the Members of Nomination and Remuneration Committee are Non-Executive & Independent Directors. The Chairman of Nomination and Remuneration Committee is an Independent Director. The Nomination and Remuneration Committee comprises of following Members:

- | | | | |
|----|-----------------------|---|---|
| 1. | Mr. Pratap Mohan | - | Chairman (Non-Executive & Independent Director) |
| 2. | Mr. Dinesh Mukati | - | Member (Non-Executive & Independent Director) |
| 3. | Ms. Nivedita R. Sarda | - | Member (Non-Executive & Independent Director) |

The Company Secretary of the Company acts as the Secretary to the Committee.

(iii) Meetings and attendance:

During the financial year ended on 31st March, 2025, three (3) Meetings of the Nomination and Remuneration Committee were held on 09th August, 2024, 12th November, 2024 and 10th February, 2025. The minutes of each Nomination and Remuneration Committee Meeting are circulated to the members of the Nomination and Remuneration Committee and placed at the next Board Meeting for noting. Mr. Pratap Mohan, Chairman of the Nomination and Remuneration Committee, remained present at the 38th Annual General Meeting.

Details of Attendance at the Meetings of Nomination & Remuneration Committee:

Name of Committee Members	Designation	Attendance
Mr. Pratap Mohan	Chairman	3 / 3
Mr. Dinesh Mukati	Member	3 / 3
Ms. Nivedita R. Sarda	Member	3 / 3

(iv) Remuneration Policy:

The Nomination and Remuneration Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, Key Managerial Personnel ("KMP") and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable & sufficient to attract, retain and motivate Directors, KMP & Senior Management Personnel. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The details of the nomination and remuneration policy including criteria for making payments to Non-Executive Directors can be accessed on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>.

(a) Director / Managing Director:

Besides the above criteria, the remuneration / compensation / commission etc. to be paid to Director / Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

(b) Non-Executive Independent Directors:

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Further, the Board of Directors has approved the payment of sitting fees of Rs. 1,00,000/- for attending each Board Meeting, Rs. 50,000/- for attending each Audit Committee Meeting and Rs. 15,000/- for attending each other Committee Meetings to each Non-Executive Independent Director. During the financial year 2024-2025, the Company has paid sitting fees to Non-Executive Independent Directors as approved by the Board for attending Board Meetings & Committee Meetings.

CORPORATE GOVERNANCE REPORT

(c) **Key Managerial Personnel (KMPs) / Senior Management Personnel:**

The remuneration to be paid to KMPs / Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

(v) **Details of Remuneration of Directors:**(a) **Criteria of making payments to Non-Executive Independent Directors:**

The Non-Executive Independent Directors are entitled to sitting fees for attending the meetings of Board of Directors or Committees thereof. Further, sitting fees paid to Non-Executive Independent Directors are within the prescribed limits under the Companies Act, 2013 and as determined by the Board of Directors from time to time.

The details of sitting fees paid to Non-Executive Independent Directors for the financial year 2024-2025 are as under:

Name of Non-Executive Independent Director	Sitting Fees (Amount in Rs.)
Mr. Dinesh Mukati	8,00,000
Mr. Pratap Mohan	8,15,000
Ms. Nivedita R. Sarda	7,05,000

(b) **Executive Vice Chairman / Managing Director / Whole Time Director:**

The Shareholders of the Company, by way of postal ballot on 28th March, 2023 approved the re-appointment of Mr. Shailesh Bhandari as a Managing Director for a period of three years from 1st February, 2023 and concluding on 31st January, 2026 with monthly remuneration of Rs. 2,00,000/-.

Thereafter, the Shareholders of the Company approved to re-designate Mr. Shailesh Bhandari, Managing Director as an Executive Vice Chairman with effect from 9th February, 2024, through postal ballot on 19th March, 2024 and entrusted him with substantial powers of management of affairs of the entire Company except Engineering and Technologies Division of the Company. Further, except for the change in designation and powers as mentioned herein, all other terms and conditions of his appointment as approved by the Board of Directors at their meeting held on 30th January, 2023 and the shareholders through postal ballot on 28th March, 2023, are remain unchanged.

Further, the Shareholders of the Company, at the 36th Annual General Meeting held on 31st August, 2022, also approved appointment of Mr. Suraj Bhandari as a Whole Time Director of the Company, for a period of three years from 13th November, 2022 and concluding on 12th November, 2025 with monthly remuneration of Rs. 1,50,000/-.

Thereafter, the Shareholders of the Company approved to elevate Mr. Suraj Bhandari and re-designate him as a Managing Director with effect from 9th February, 2024, through postal ballot on 19th March, 2024, and entrusted him with substantial powers of management to manage the affairs of 'Engineering and Technologies Division' of the Company and shall also exercise such other powers of management to extent and in the matter delegated by the Board of Directors of the Company. Further, except for the change in designation and powers as mentioned herein, all other terms and conditions of his appointment as approved by the Board of Directors at their meeting held on 2nd August, 2022 and the shareholders at the 36th Annual General Meeting held on 31st August, 2022 are remain unchanged.

Further, the Shareholders of the Company, by way of postal ballot on 27th June, 2025 approved the appointment of Mr. Tushar Jani as a Whole Time Director of the Company for a period of three years from 10th April, 2025 and concluding on 9th April, 2028 with monthly remuneration not exceeding of Rs. 5,00,000/-.

With regard to payment of remuneration to Mr. Shailesh Bhandari as Managing Director / Executive Vice Chairman, Mr. Suraj Bhandari as a Whole Time Director / Managing Director and Mr. Tushar Jani as Whole Time Director, as per the provisions of Section 197(1) of the Companies Act, 2013, where the Company has defaulted in payment of dues to any bank or public financial institution or any other secured creditor, the prior approval of the bank or public financial institution concerned or other secured creditor, as the case may, shall be obtained by the company before obtaining the approval in the general meeting. As the Company has defaulted in payment of dues to banks / financial institutions, the remuneration to Executive Vice Chairman / Managing Director / Whole Time Director would be paid after receipt of approval of the concerned banks / financial institutions or on cessation of default on amicable settlement with the concerned banks / financial institutions, without further approval from the shareholders.

In view of pending approval of lenders, pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Schedule V, the Company has not paid any remuneration to Executive Vice Chairman / Managing Director / Whole Time Director, during the financial year ended on 31st March, 2025.

CORPORATE GOVERNANCE REPORT

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee has been constituted as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015. The Stakeholders Relationship Committee specifically look into the various aspect of interest of the shareholders of the Company.

(i) Brief description of Terms of Reference:

The brief description or role or terms of reference of Stakeholders Relationship Committee, as specified in Section 178 of the Companies Act, 2013 and Regulation 20 read with Para B of Part D of the Schedule II of the SEBI LODR Regulations, 2015, are as under:

- Resolving the grievances of the shareholders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new / duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuing timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

(ii) Composition of the Committee:

The Stakeholders Relationship Committee comprises of three Directors with having a two Independent Directors. The Chairperson of Stakeholders Relationship Committee is a Non-Executive Director. The Stakeholders Relationship Committee comprises of following Members:

- Ms. Nivedita R. Sarda - Chairperson (Non-Executive & Independent Director)
- Mr. Pratap Mohan - Member (Non-Executive & Independent Director)
- Mr. Shailesh Bhandari - Member (Executive Director)

Mr. Fageshkumar R. Soni, Company Secretary of the Company is the Compliance Officer pursuant to Regulation 6 of the SEBI LODR Regulations, 2015.

(iii) Meeting and Attendance:

During the year under review, four (4) meetings of the Stakeholders Relationship Committee were held on 19th May, 2024, 09th August, 2024, 12th November, 2024 and 10th February, 2025. The minutes of each Stakeholders Relationship Committee Meeting are circulated to the members of the Stakeholders Relationship Committee and placed at the next Board Meeting for noting. Ms. Nivedita R. Sarda, Chairperson of the Stakeholders Relationship Committee, remained present at the 38th Annual General Meeting.

Details of Attendance at the Meetings of Stakeholders Relationship Committee:

Name of Committee Members	Designation	Attendance
Ms. Nivedita R. Sarda	Chairperson	4 / 4
Mr. Pratap Mohan	Member	4 / 4
Mr. Shailesh Bhandari	Member	4 / 4

Details of Shareholders' Complaints received during the year 2024-2025:

The details of complaints received / resolved / pending during the financial year are as under:

Complaint as on 01 st April, 2024	Received during the year	Resolved during the year	Pending as on 31 st March, 2025
NIL	NIL	NIL	NIL

CORPORATE GOVERNANCE REPORT

SEBI Complaints Redress Systems (SCORES):

SEBI vide circular dated 3rd June, 2011 introduced the system of process of investors complaints in a centralised web based complaints redress system known as a 'SCORES'. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of action taken on the complaint and its current status etc. As per the SEBI LODR Regulations, 2015, the Company is registered on the SCORES platform for handling of investor complaints electronically.

Online Dispute Resolution Mechanism (ODR):

SEBI has facilitated online resolution for investors to resolve their grievances by way of Online Dispute Resolution ('ODR') through a common ODR portal. Post exhausting the option to resolve their grievance with the Company / its Registrar and Share Transfer Agent directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login> and the same can also be accessed through the Company's website at <https://www.electrotherm.com/investors/link-to-smart-odr>.

D. RISK MANAGEMENT COMMITTEE:

The provisions related to Regulation 21 of the SEBI LODR Regulations, 2015 for constitution of Risk Management Committee is not applicable to the Company. During the year 2024-25 the Board, voluntarily, re-constituted the Risk Management Committee with Mr. Suraj Bhandari as Chairman, Mr. Shailesh Bhandari and Mr. Pratap Mohan as Members of the Committee. The terms of reference of the Risk Management Committee, is in the nature of role, power and review of information would be in compliance with the provisions of Regulation 21 of the SEBI LODR Regulations, 2015. Thereafter, the Board further reviewed the applicability of provisions of Regulation 21 of the SEBI LODR Regulations, 2015, and dissolved the Risk Management Committee with effect from 11th February, 2025. The Board also resolved that the said Committee will be constituted in compliance with the applicable provisions of Regulation 21 of the SEBI LODR Regulations, 2015, when applicable.

Further, during the financial year 2024-2025, one meeting of Risk Management Committee was held on 10th February, 2025 and all the members of the Committee were remained present.

E. OTHER COMMITTEES:**(i) SECURITIES ALLOTMENT COMMITTEE:**

The Company has constituted a Securities Allotment Committee on 29th July, 2006. The terms of reference of Securities Allotment Committee includes to look into the receipt of money by way of subscription of Shares, Warrants, FCCBs or other convertible instruments issued or to be issued by the Company and allotment of Shares, Warrants, FCCBs or other convertible instruments and allotment of Equity Shares arising on conversion of Warrants, FCCBs or other convertible instruments issued by the Company or to be issued by the Company in future.

The Securities Allotment Committee comprises of following Members:

- | | | |
|----|-----------------------|---|
| 1. | Mr. Shailesh Bhandari | - Chairman (Executive Director) |
| 2. | Mr. Dinesh Mukati | - Member (Non-Executive & Independent Director) |
| 3. | Mr. Pratap Mohan | - Member (Non-Executive & Independent Director) |

During the financial year ended on 31st March, 2025, no meeting of the Securities Allotment Committee was held.

(ii) MANAGEMENT COMMITTEE:

The Company has constituted a Management Committee on 29th October, 2007. The terms of reference of Management Committee includes to look into the day to day functioning and exercise of delegated power of the Board for matters relating to operations and granting of authority for various functional requirements such as issue of Power of Attorney, Arranging for Vehicle Loans, dealings with Central / State Governments and various Statutory / Judicial / Regulatory / Local / Commercial / Excise / Customs / Port / Sales Tax / Income tax / Electricity Board, Opening / Closing of Current Accounts with various Banks, Transfer of unpaid Dividend to Investor Education and Protection Fund, closing of such Dividend accounts, matters related to negotiation of terms of settlement of loan with banks / financial institutions and other authorisations on behalf of the Company.

The Management Committee comprises of following members:

- | | | |
|----|-----------------------|---|
| 1. | Mr. Shailesh Bhandari | - Chairman (Executive Director) |
| 2. | Mr. Dinesh Mukati | - Member (Non-Executive & Independent Director) |
| 3. | Mr. Suraj Bhandari | - Member (Executive Director) |

CORPORATE GOVERNANCE REPORT

During the financial year ended on 31st March, 2025, four (4) Meetings of the Management Committee were held on 19th May, 2024, 09th August, 2024, 12th November, 2024 and 11th February, 2025.

Details of Attendance at the Meetings of Management Committee:

Name of Committee Members	Designation	Attendance
Mr. Shailesh Bhandari	Chairman	4 / 4
Mr. Dinesh Mukati	Member	4 / 4
Mr. Suraj Bhandari	Member	3 / 4

(iii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE):

As per the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The CSR Committee has formulated a CSR policy of the Company and the same has been placed on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>.

The CSR Committee comprises of following Members:

1. Mr. Shailesh Bhandari - Chairman (Executive Director)
2. Mr. Dinesh Mukati - Member (Non-Executive & Independent Director)
3. Mr. Pratap Mohan - Member (Non-Executive & Independent Director)

During the financial year ended on 31st March, 2025, three (3) meetings of the CSR Committee were held on 19th May, 2024, 09th August, 2024 and 10th February, 2025. All the members of the CSR Committee were present in all the three meetings. The minutes of CSR Committee Meetings are circulated to the members of the CSR Committee and placed at the next Board Meeting for noting.

F. SENIOR MANAGEMENT:

Particular of Senior Management of the Company pertaining to the financial year 2024-25:

Name of Person	Designation
Mr. Sunil Kulkarni	Executive Director – Special Project (E&T Division)
Mr. Devidas Choudhary	Executive Director – R & D and Design (E&T Division)
Mr. Sharat Chojar	Executive Director – Sales, Marketing & Business Development (E&T Division)
Mr. Harish Mukati	Chief Executive Officer (Steel Division) (with effect from 14 th November, 2024)
Mr. Amit Kumar Patwarika	Chief Financial Officer (with effect from 11 th February, 2025)
Mr. Fageshkumar R. Soni	Company Secretary

During the year 2024-25, Mr. Chirag Shah, Chief Financial Officer resigned with effect from 12th April, 2024. Further, Mr. Harish Mukati was appointed as Chief Executive Officer (Steel Division) and Mr. Amit Kumar Patwarika was appointed as Chief Financial Officer of the Company with effect from 14th November, 2024 and 11th February, 2025, respectively.

Further, Mr. Tushar Jani, Executive Director - Operations in Engineering & Technologies (E&T) Division of the Company as Senior Management Personnel, has been appointed as Director / Whole Time Director of the Company with effect from 10th April, 2025.

CORPORATE GOVERNANCE REPORT

4. GENERAL BODY MEETING:

i. Annual General Meetings:

The last three Annual General Meetings (AGM) of the Company were held within the statutory time period. The details of the same are as under:

AGM	Financial Year / Period	Venue	Date & Time	Special Resolutions Passed
38 th	2023-24	Through Video Conferencing / Other Audio Visual Means	12 th September, 2024 11:00 a.m.	No special resolution was passed
37 th	2022-23	Through Video Conferencing / Other Audio Visual Means	9 th August, 2023 11:00 a.m.	To re-appoint Ms. Nivedita R. Sarda as an Independent Director for a second term of 5 (five) years.
36 th	2021-22	Through Video Conferencing / Other Audio Visual Means	31 st August, 2022 11:00 a.m.	- To re-appoint Mr. Dinesh Mukati as an Independent Director for a second term of 5 (five) years. - To re-appoint Mr. Pratap Mohan as an Independent Director for a second term of 5 (five) years.

ii. Extra Ordinary General Meetings:

No Extra Ordinary General Meeting was held during the financial year ended on 31st March, 2025.

iii. Special Resolution passed through Postal Ballot:

During the financial year ended on 31st March, 2025, no resolution was passed through Postal Ballot.

iv. Special resolution is proposed to be conducted through postal ballot:

Lastly, on 27th June, 2025, the Company has conducted exercise to approve the ordinary resolutions for appointment of Mr. Tushar Jani as a Director and as a Whole Time Director through postal ballot. At present, there is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing of a resolution through postal ballot.

v. Procedure of postal Ballot:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution(s) and Explanatory Statement and relevant documents are sent to the shareholders through E-mail to enable them to consider and vote for or against the proposal within a period of 30 days. E-voting facility is made available to all the shareholders and instructions for the same are specified under instructions for voting in the Postal Ballot Notice. E-mails are sent to shareholders whose e-mail ids are available with the depositories and the Company along with Postal Ballot Notice. The details about postal ballot and the procedure related thereto are published in the Newspapers. After the last day for e-voting, the Scrutinizer, after due verification, submits the results to the Chairman or person authorised by the Chairman. Thereafter, the Chairman / person authorised by the Chairman declares the result of the Postal Ballot. The same is posted on the Company's website and submitted to the Stock Exchanges where the shares of the Company are listed.

5. DISCLOSURES:

(i) Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI LODR Regulations, 2015 during the financial year were on Arm's Length basis. There were no materially significant related party transactions during the year that may have potential conflict with the interest of the Company at large. The details of related party transactions as per Indian Accounting Standard ("Ind AS") 24 are included in the notes to accounts of the Financial Statements.

The Policy on Related Party Transactions as approved by the Board of Directors is uploaded on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>.

CORPORATE GOVERNANCE REPORT

(ii) Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all Board of Directors and Senior Management of the Company. In compliance with the Code, Board of Directors and Senior Management of the Company have affirmed compliance with the Code for year ended on 31st March, 2025. The declaration of compliance of Code of Conduct by the Managing Director is part of this Annual Report. The Code of Conduct is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>.

(iii) Prohibition of Insider Trading:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has adopted the Code of Internal Procedures and Conduct for Prevention of Insider Trading in Securities and Policy for fair Disclosure of Unpublished Price Sensitive Information (Insider Trading Code) to regulate, monitor compliance and report trading by designated persons who are expected to have access to the unpublished price sensitive information relating to the Company. The said Insider Trading Code is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>.

(iv) Details of Non-Compliance and penalties imposed by stock exchanges:

Following non-compliances observed during last three years:

- (i) During the financial year 2024-25, the Company had not filled up the vacancy of Chief Financial Officer (CFO) caused by the Resignation of CFO on 12th April, 2024, within stipulated time period as per Regulation 26A of the SEBI LODR Regulations, 2015.
- (ii) Further, during the financial year 2024-25, the Company has received notice / email from NSE and BSE regarding non-compliance of provisions of Regulation 17(1) of SEBI LODR Regulations, 2015 related to composition of Board was less than six directors. BSE and NSE has imposed total fine of Rs. 6,43,100/- each for the quarter ended on 31st December, 2024 and 31st March, 2025. The Company has paid the said fines.
- (iii) The Company has not made / submitted the disclosures of defaults on payment of interest / repayment of principal amount on loans from banks / financial institutions, under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21st November, 2019 for the period from 31st December, 2020 till 31st March, 2024.
- (iv) During the financial year 2022-23, the Company has received notices from BSE and NSE for the non appointment of qualified company secretary as compliance officer in terms of Regulation 6(1) of SEBI LODR Regulations, 2015. BSE & NSE has imposed total fine of RS. 4,31,880/- each for the quarter ended on 31st March 2022, 30th June 2022 and 30th September 2022 and the Company has paid the said fines. Thereafter, the Company had appointed Company Secretary and Compliance officer with effect from 2nd August, 2022.

Except above, there was no other non-compliance by the company and no penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

(v) Vigil Mechanism / Whistle Blower Policy:

Pursuant to provisions of the Companies Act, 2013 and the SEBI LODR Regulations, 2015, the Vigil Mechanism / Whistle Blower Policy was established for directors and employees to report concern about unethical behaviour, actual or suspected fraud, leakage of unpublished price sensitive information or violation of the company's code of conduct. The Board hereby affirms that no personnel have been denied access to the Audit Committee. The Vigil Mechanism / whistle blower policy is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>.

(vi) Compliance with discretionary requirements:

The Company has complied with all the mandatory requirements of the SEBI LODR Regulations, 2015, except as mentioned above. Following are the details related to compliance with the discretionary requirements as per SEBI LODR Regulations, 2015:

1. The Company has a Non-Executive Independent Director as Chairman. The position of the Chairman of the Board of Directors and the Managing Director are separate.
2. The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company' website at <https://www.electrotherm.com/investors/financial-results>.
3. The auditors have qualified the financial statements for the financial year 2024-2025. The Board has clarified / explained the same in Board's Report.
4. The Internal Auditor regularly reports to the Audit Committee.

CORPORATE GOVERNANCE REPORT**(vii) Policy on “Material” Subsidiaries:**

The Board of Directors of the Company has approved a policy on determining Material Subsidiary which is available on the website of the Company at <https://www.electrotherm.com/investors/codes-and-policies>. The Company has complied with the corporate governance requirements with respect to subsidiary / unlisted material subsidiary as per Regulation 24 of the SEBI LODR Regulations, 2015.

(viii) Commodity Price risk or foreign exchange risk and hedging activities:

During the course of business of the Company, there are import and export of goods and materials. In view of the fluctuation of the foreign currency rate, the Company is exposed to the foreign exchange risk.

Further, the Company is exposed to the risk associated with fluctuation in the prices of the commodity used for the manufacturing activities.

The Company does not have material exposure of any commodity. Therefore, there is no disclosure to offer in terms of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155/ dated 11th November, 2024.

(ix) CEO and CFO Certification:

Pursuant to the Regulation 17(8) read with Part B of Schedule II of the SEBI LODR Regulations, 2015, the Managing Director, Chief Financial Officer and Chief Executive Officer (Steel Division) have given the compliance certificate and the same is part of this Annual Report.

6. MEANS OF COMMUNICATION:

The quarterly, half yearly and yearly results are published in national and local daily newspapers such as “Financial Express” in English Edition and Gujarati Edition. The results are also available on the website of the Company at <https://www.electrotherm.com/investors/financial-results>. The official news releases of the Company are displayed on the website of the stock exchanges / company.

The Company has not made any presentations to the institutional investors or to the analysts during the financial year ended on 31st March, 2025.

7. GENERAL SHAREHOLDER INFORMATION:

Day, Date & Time of 39 th AGM	Wednesday, 10 th September, 2025 at 10.00 a.m.
Venue of AGM	VC / OAVM
Email for Investor Complaint	sec@electrotherm.com
Website	www.electrotherm.com
Financial Year	1 st April, 2025 to 31 st March, 2026
Dividend Payment Date	Not Applicable, as the Board of Directors has not recommended any dividend for the financial year ended on 31 st March, 2025
ISIN with NSDL & CDSL	INE822G01016

Tentative Financial Calendar for 2025-2026 (from 1st April, 2025 to 31st March, 2026):

Quarter ending on 30 th June, 2025	On or before 14 th August, 2025
Quarter ending on 30 th September, 2025	On or before 14 th November, 2025
Quarter ending on 31 st December, 2025	On or before 14 th February, 2026
Quarter ending on 31 st March, 2026	On or before 30 th May, 2026

A. Listing on Stock Exchange(s):

Equity Shares of your Company are listed on the Two Stock Exchanges namely:

Name & Address of Stock Exchange	Stock Code
BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 00 001	526608
National Stock Exchange of India Limited: Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051	ELECTHERM

Annual Listing Fees for the Financial Year 2025-2026 has been paid to both Stock Exchanges.

CORPORATE GOVERNANCE REPORT

B. Registrar and Share Transfer Agent:

M/s. MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) is the Registrar and Share Transfer Agent for entire functions of share registry, dematerialisation / rematerialisation of shares, issue of duplicate / split / consolidation of shares etc.

MUFG INTIME INDIA PRIVATE LIMITED

(FORMERLY KNOWN AS LINK INTIME INDIA PRIVATE LIMITED)

5th Floor, 506 to 508, Amarnath Business Centre-I (ABC-I),

Beside Gala Business Centre,

Nr. St. Xavier's College Corner, Off. C G Road, Ellisbridge, Ahmedabad - 380 006.

Tel No. & Fax No. : +91-79-2646 5179

Email: rnt.helpdesk@in.mpms.mufig.com / ahmedabad@in.mpms.mufig.com

Website: www.in.mpms.mufig.com

C. Share Transfer System:

Pursuant to amendment in Regulation 40(1) of the SEBI LODR Regulations, 2015 effective from 24th January, 2022, no shares can transfer in physical mode and any request for transfer of shares shall be processed for shares held in dematerialised form only. This restriction shall not be applicable to the request received for transmission or transposition of physical shares. The Company had sent communication to the shareholders encouraging them to dematerialise their holdings in the Company. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

The Company has obtained Quarterly Reconciliation of Share Capital Audit Report as per the Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 and submitted the same to the Stock Exchanges within stipulated time.

Special Window for Re-lodgement of Transfer Requests of Physical Share (SEBI Circular dated SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated 02nd July, 2025):

As per said SEBI Circular dated 02nd July, 2025, in order to facilitate ease of investing for investors and to secure the rights of investors in the securities which were purchased by them, SEBI has decided to open a special window only for re-lodgement of transfer deeds, which were lodged prior to the deadline of 1st April, 2019 and rejected / returned / not attended to due to deficiency in the documents / process / or otherwise, for a period of six months from 07th July, 2025 till 06th January, 2026.

During this period, the shares that are re-lodged for transfer (including those requests that are pending with the RTA, as on date) shall be issued only in demat mode. Due process shall be followed for such transfer-cum-demat requests. The eligible shareholders may submit / re-lodge the transfer request alongwith request documents to our RTA at address mentioned in para 7(B) above.

D. Distribution of shareholding as on 31st March, 2025:

Category	No. of Shareholders		No. of Shares	
	Total	% of Shareholders	Total	% of Shares
1 - 500	8,588	91.13	5,82,240	4.57
501 - 1000	353	3.75	2,72,554	2.14
1001 - 2000	208	2.21	3,06,703	2.41
2001 - 3000	62	0.66	1,59,164	1.25
3001 - 4000	34	0.36	1,20,725	0.95
4001 - 5000	43	0.46	1,99,292	1.56
5001 - 10000	44	0.47	3,00,028	2.35
10001 & Above	92	0.98	1,08,02,108	84.77
Total	9,424	100.00	1,27,42,814	100.00

CORPORATE GOVERNANCE REPORT**E. Categories of Shareholding as on 31st March, 2025:**

Sr. No.	Category	No. of Shares	% to Share Capital
A.	PROMOTERS SHAREHOLDING		
1.	Promoters and Promoters Group	38,10,728	29.90
B.	PUBLIC SHAREHOLDING		
2.	Mutual Funds	9,800	0.08
3.	FII's / FPI's	5,79,162	4.55
4.	Alternate Investment Funds	39,900	0.31
5.	Banks / Financial Institutions	100	0.00
6.	Bodies Corporate (includes LLP)	20,29,253	15.92
7.	NRIs	1,51,159	1.19
8.	Foreign Companies	20,00,000	15.70
9.	Clearing Members	99	0.00
10.	Indian Public, HUF & Trusts	41,22,613	32.35
	Total	1,27,42,814	100.00

F. Dematerialisation of Shares and Liquidity:

The Equity Shares of the Company are under compulsory trading in demat form. The details of dematerialisation of shares as on 31st March, 2025 is as under:

Sr. No.	Particulars	No. of Shares	% of Paid up Capital
1.	Held in Physical form	10,75,871	8.44
2.	Held in Demat form	1,16,66,943	91.56
	Total	1,27,42,814	100.00

G. Outstanding GDRs / ADRs / Warrants or Convertible instruments, conversion date and likely impact on the Equity:

As on 31st March, 2025, the Company does not have any GDRs / ADRs / Warrants or any convertible instruments.

H. Plant Locations:

Engineering & Technologies Division	Special Steel and Electric Vehicle Division
Survey No.: 72, Village: Palodia, Taluka: Kalol, Dist.: Gandhinagar - 382 115. Gujarat	Survey No. 325, Village: Samkhiyali, Taluka: Bhachau, Dist.: Kutch, Gujarat

The plant / facilities at Karjan, Vatva and Dhank are in-operative.

I. Address for Correspondence:

Shareholders are requested to correspond with the Company at the following address:

Mr. Fageshkumar R. Soni, Company Secretary and Compliance officer

ELECTROTHERM (INDIA) LIMITED

A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380 015

Phone No.: (02717) 234553 to 57 : Fax No.: (02717) 660600

Email: sec@electrotherm.com

J. List of all Credit Ratings obtained by the Company along with any revisions thereto during the relevant financial year:

During the financial year, the Company has not issued any securities or debt instruments and as such the requirement of obtaining credit ratings was not applicable to the Company.

CORPORATE GOVERNANCE REPORT

8. OTHER DISCLOSURES:

A. Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement:

During the year, the Company did not raise any funds by way of preferential allotment or qualified institutions placement.

B. Certificate from a Company Secretary in practice:

A Certificate from Mr. Shyamsingh Tomar of M/s. Shyamsingh Tomar & Associates, Company Secretary in Practice confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority is attached with this Annual Report.

C. Total fees for all services paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditors:

Total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which the Statutory Auditors are a part is Rs. 0.29 crores (excluding taxes).

D. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to provide a friendly working environment that ensures every employee get equal treatment. The details of the same have been disclosed in the Boards' Report forming part of the Annual Report. During the year 2024-2025, the Company has not received any complaint in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

E. Loans and Advances:

During the year, the company has not granted any loans and advances in the nature of loans to firms / companies in which directors are interested.

F. Material Subsidiaries:

The Company has no material subsidiary. The policy on material subsidiaries adopted by the Board of Directors of the Company is available on Company's website at <https://www.electrotherm.com/investors/codes-and-policies>.

G. Non-compliance of any requirement of Corporate Governance Report:

There was no instance of non-compliance of any requirement of the Corporate Governance Report as mentioned in sub-paras (2) to (10) of the Part C of Schedule V of the SEBI LODR Regulations, 2015 except as disclosed in this Corporate Governance Report. Further, the details of Non-compliance with corporate governance requirements as prescribed by the SEBI LODR Regulations, 2015, is mentioned above in this section of Corporate Governance Report.

H. Equity shares under suspense account:

The Company has no equity shares under Suspense Account and hence disclosure relating to the same is not applicable.

I. During the financial year, there was no instance where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

J. Disclosure of certain types of agreements binding the Company:

During the financial year under review, there were no agreements entered into by the Company that required disclosure under Clause 5A of paragraph A of Part A of Schedule III of the SEBI LODR Regulations, 2015.

K. During the financial year 2024-25, the Company received a letter from Mr. Mukesh Bhandari and his family members and Mr. Shailesh Bhandari and his family members (Members of Promoter and Promoter group) about the execution of Family Settlement Agreement amongst the Bhandari Family. The Company has submitted the required disclosure to the Stock Exchanges under Regulation 30 and 30A read with clauses 5 and 5A of Para A of Part A of Schedule III to the SEBI LODR Regulations, 2015 and SEBI Master Circular dated 11th November, 2024.

DECLARATION OF CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the Board Members and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year ended on 31st March, 2025.

Place: Paoldia
Date: 29th July, 2025

Shailesh Bhandari
Executive Vice Chairman
DIN: 00058866

CORPORATE GOVERNANCE REPORT**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE**

To,
The Board of Directors
Electrotherm (India) Limited

**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF
SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended on 31st March, 2025 and that to the best of our knowledge and belief -
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

SURAJ BHANDARI
MANAGING DIRECTOR
(DIN: 07296523)

AMIT KUMAR PATWARIKA
CHIEF FINANCIAL OFFICER

HARISH MUKATI
CHIEF EXECUTIVE OFFICER (STEEL DIVISION)

Place: Palodia
Date: 20th May, 2025

CORPORATE GOVERNANCE REPORT**COMPLIANCE CERTIFICATE OF CORPORATE GOVERNANCE**

To,
The Members of
Electrotherm (India) Limited
Ahmedabad

I have examined the compliance of conditions of Corporate Governance by Electrotherm (India) Limited ('the Company') for the year ended on **31st March, 2025** as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI LODR Regulations, 2015. I have obtained all the information and explanation which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the review of the procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI LODR Regulations, 2015, except followings:

- (i) *The Company had not appointed Chief Financial Officer (CFO) till 10th February, 2025 from the date of resignation of Mr. Chirag Shah on 12th April, 2024. Further, as per Regulation 26A of the SEBI LODR Regulations, 2015, the Company is required to fill the vacancy of CFO at the earliest and in any case not later than three months from the date of such vacancy.*
- (ii) *The Board was comprised with less than six directors till 9th April, 2025 caused by cessation of Mr. Mukesh Bhandari on 12th September, 2024. As per Regulation 17(1) of SEBI LODR Regulations, 2015, the Board of Directors of the listed entity shall comprise of not less than six Director. Further, the Company would require to fill up such vacancy in accordance with the Regulation 17(1E), and appoint a Director, at the earliest and in any case not later than three months from the date of such vacancy. Further, BSE and NSE, each, has imposed total fine of Rs. 6,43,100/- for the quarter ended on 31st December, 2024 and 31st March, 2025. The Company has paid the said fines.*

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of Company.

For, **SHYAMSINGH TOMAR & ASSOCIATES**
Company Secretaries

Shyamsingh R. Tomar
[Proprietor]

FCS No.: 12345

COP: 15973

PR No.: 1076/2021

UDIN: F012345G000879695

Date: 29/07/2025
Place: Ahmedabad

CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
ELECTROTHERM (INDIA) LIMITED
A-1, Skylark Apartment, Satellite Road,
Satellite, Ahmedabad – 380015

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ELECTROTHERM (INDIA) LIMITED** having CIN L29249GJ1986PLC009126 and having registered office at A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad – 380015 (hereinafter referred to as “the Company”), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2025** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Shailesh Bhandari	00058866	27/06/1989
2	Mr. Suraj Bhandari	07296523	13/11/2019
3	Mr. Dinesh Mukati	07909551	05/09/2017
4	Mr. Pratap Mohan	03536047	05/09/2017
5	Ms. Nivedita R. Sarda	00938666	25/05/2018

I further report that the ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **SHYAMSINGH TOMAR & ASSOCIATES**
Company Secretaries

Shyamsingh R. Tomar
[Proprietor]
FCS No.: 12345
COP: 15973
PR No.: 1076/2021
UDIN: F012345G000879728

Date: 29/07/2025
Place: Ahmedabad

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Electrotherm (India) Limited.

Report on the audit of the Standalone Financial Statements

Qualified Opinion

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

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its Profit, total comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No. 38 of non-provision of interest on NPA account of Asset Reconstruction Company, on approximate basis of Rs.131.80 Crore, for the year under consideration and the total amount of such unprovided interest till date is Rs. 916.51 Crore. The exact amounts of the said non provision of interest are not determined and accordingly the amount of Net Profit for the year is overstated by Rs. 131.80 crore and the amount of ARC liability and Total retained earnings/(loss) as on March 31, 2025 is understated by Rs. 916.51 crore. Our audit reports for the previous year ended March 31, 2024 was also qualified in respect of this matter.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made 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 audit opinion on the standalone financial statement.

Emphasis of Matter

We draw attention to the following Notes of Statement of Standalone Audited Financial Statements of the Company:

- (a) Note No 15(c), 15(f), 15(g) and 36 in respect of non-payment of Instalments and Interest due, terms and conditions of the settlement agreement prescribing for restoration of loan amount to the original amount in case of default on account of non-compliance of said terms and conditions and treatment in the books of accounts of the assignment / settlement of debts of Asset Reconstruction Company (ARC) and Bank.
- (b) Note No 18 which describes the redemption of non-cumulative redeemable preference shares amounting to Rs 12.00 Crore that were due for redemption. The Company has filed a petition under Section 55(3) of the Companies Act, 2013, before the Hon'ble National Company Law Tribunal (NCLT) seeking approval for issue of Non-cumulative Redeemable Preference Shares to the existing preference shareholders of the amount equivalent to the amount of the unredeemed preference shares on the same terms and the matter is currently pending for further consideration.
- (c) Note No 32(a), 37 and 41 in respect of pending enquiries / notices / summons / litigation recovery / fraud proceedings against the Company and the Directors of the Company.
- (d) Note No 37(d)(iii) in respect of search conducted by Directorate of Enforcement, Zonal Office, Ahmedabad (ED) at the Corporate Office & factory of the company at Palodia and at the residence of Mr. Shailesh Bhandari on January 10, 2025 and consequent order of freezing certain bank accounts and vehicles by the ED.
- (e) Note No 39(b) in respect of confirmation / reconciliation of few accounts of "Trade Receivables", "Trade Payables", "Advance from Customers", Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties".
- (f) Note no. 43 which describes the execution of a Family Settlement Agreement (FSA) among the members of the Bhandari Family, who are part of the promoter group/shareholders of the Company. The agreement seeks to resolve inter se family and business matters and potentially result in changes to the shareholding and control of group entities.

INDEPENDENT AUDITOR'S REPORT

In our opinion in respect of the above *Emphasis of Matter*, we do not provide any modified opinion, as these are not material / quantifiable / relevant for the accounting purpose, for the year under consideration.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Financial Statements for the financial year ended on March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters (Other than those given in Basis for Qualified Opinion)	Auditor's Response
Recognition of Bad Debts on Disputed Trade Receivables Previously Provided for under Expected Credit Loss Model - As disclosed in Note 39(g) to the financial statements, the Company has written off certain trade receivables as bad debts during the year. These receivables were subject to ongoing disputes and/or the inability of the customers to make payments. The disputes and financial difficulties faced by the customers resulted in the non-recovery of the receivable amounts. - The Company had previously recognized provisions against trade receivables under the Expected Credit Loss (ECL) model in accordance with the applicable financial reporting framework. The bad debts written off during the year reflect the crystallization of credit losses that were earlier estimated and provided for. - Given the significance of the trade receivables, the judgment involved in identifying irrecoverable balances, and the linkage to previously recognized ECL provisions, we considered the recognition of bad debts on these disputed and defaulted trade receivables as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - Reviewing the details of the disputed and defaulted receivables written off during the year, including supporting documentation such as customer communications and legal correspondence; - Evaluating management's assessment of non-recoverability and ensuring that the write-offs were appropriately authorized and supported by evidence of failed recovery efforts; - Verifying that the bad debts written off were previously covered by ECL provisions and ensuring the appropriate reversal or utilization of provisions in accordance with the applicable accounting standards; - Assessing the adequacy and accuracy of the disclosures in the financial statements relating to the nature, amount, and treatment of the bad debts written off.

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

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's report, Management Discussion and Analysis, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditors' report thereon. These Company's Annual Report is expected to be made available to us after the date of this audit report.

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

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary action as, applicable under the relevant applicable laws and regulations.

Responsibilities of Management for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statement that gives a true and fair view of the state of affairs, profit and other comprehensive Income, change in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) specified under Section 133 of the Act. The Management and Board of Directors of the Company are responsible for 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 Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work: and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 standalone financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's 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.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

- (A) 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 for the year under consideration.
- (B) As required by Section 143(3) of the Act and read with the notes to accounts, based on our audit and the explanations given to us by the company, we broadly report to the extent applicable, 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) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, 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 the Statement of Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity for the year then ended dealt with by this report are in agreement with the books of account;
 - (d) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;
 - (e) The matter described in 'Qualified Opinion' and 'Emphasis of Matter' paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act;
 - (g) The qualification relating to other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
 - (h) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
 - (i) The company has not paid any managerial remuneration to its directors and thus, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2025.
 - (j) With respect to the other matters to be included in the auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us: -
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements- Please Refer Note No. 32(a), 37 and 41 to the Standalone Financial Statements;
 - ii. There are no long-term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
 - iii. There is no fund which is pending 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, as disclosed in the note 42(v), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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, as disclosed in the note 42(vi), no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on

INDEPENDENT AUDITOR'S REPORT

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 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 in (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For, Hitesh Prakash Shah & Co
(Firm Regd.no: 127614W)
Chartered Accountants

Place: Palodia
Date: May 20, 2025

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBJ2902

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A to Independent Auditor's Report of even date on the Standalone Financial Statements of Electrotherm (India) Limited for the year ended on March 31, 2025.

(Referred to in paragraph A under 'Report on other legal and regulatory requirements' section of our report of even date to the members of Electrotherm (India) Limited)

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

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and the relevant details of right-of-use assets.
The company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment, so as to cover all the assets every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment due for verification during the year were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- (c) With respect to immovable properties disclosed in the Standalone Financial Statement (which are included under the Note 3 - 'Property, Plant and Equipment'), according to the information and explanations given to us and based on the examination of the property tax receipts and lease agreement(s) for assets on lease, registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (d) The company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) As informed to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The physical verification of inventory (Other than stocks held with third parties) has been conducted at reasonable intervals by the management. In our opinion and based on information and explanation given to us, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. For stocks held with third parties at the year-end, written confirmation has been obtained. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) The Company has not been sanctioned or availed any new working capital loan exceeding Rs five crores during the year and therefore reporting under the said clause 3(ii)(b) of the Order is not applicable to the company.
- iii. (a) The company has not provided any guarantee or security to any companies, firm, limited liability partnerships or any other parties covered in the register maintained under section 189 of the Act. During the year the company has granted loan secured or unsecured to such companies, firm, limited liability partnerships or any other parties and its details are as follows: -
 - (A) Loan provided / Guarantee granted to subsidiaries, joint venture and associates' concern:
 - The company has not provided any such guarantee.
 - During the year the Company has granted loan to the subsidiary of Rs. Nil. The balance outstanding as on March 31, 2025 of the said loan before provision as doubtful debt, is Rs. 4.18 Crore.
 - During the year the Company has granted loan in the nature of advances to two subsidiaries of Rs. 0.09 Crore. The balance outstanding as on March 31, 2025 of the said advances before provision as doubtful debt, is Rs. 66.74 Crore.
 - During the year the Company has invested in subsidiary and joint venture of Rs Nil. The balance outstanding as on March 31, 2025 of the said investment before impairment, is Rs. 47.91 Crore.
 - (B) Loan provided / Guarantee granted to other parties (other than subsidiaries, joint venture and associates concern:)
 - During the year the company has not granted any loan to the other parties (other than subsidiaries, joint venture and associates). The balance outstanding as on March 31, 2025 of the loan is Rs. 0.14 Crore.
- (b) As explained to us, the terms and conditions of all loan given and advances in the nature of loans; except unsecured advances considered as doubtful by the company; are not prejudicial to the company's interest.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

- (c) No schedule of repayment of principal and payment of interest in respect of loan and advances in nature of loan has been stipulated and accordingly we are unable to make specific comment on the regularity of repayment of principal and payment of interest. The aggregate balance of such advances before provision as doubtful debt, as on March 31, 2025 is Rs. 71.06 Crore.
- (d) As no schedule for repayment of principal and payment of interest has been stipulated, we cannot comment whether the amount is overdue for more than ninety days or not. Further major of the loan and advances in nature of loan has been considered as doubtful.
- (e) No loan or advances in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The company has granted loans or advances in the nature of loans either payable on demand or without specifying any terms or period of repayment and the aggregate amount of such loan before provision as doubtful debt, is Rs 71.06 crore and it is 100% to such loan granted. The aggregate amount of loans granted to promoters; related parties as defined in clause 76 of section 2 of the Companies Act 2013 is Rs 71.06 crore.
- iv. In our opinion and according to the information and explanation given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans given and investments made have been complied with by the Company. The Company has not granted any guarantees & security in terms of section 185 and 186 of the Act.
- v. In our opinion, and according to the information and explanations given to us, during the year under consideration, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the reporting under clause 3(v) of the Order are not applicable to the company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete or not.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Duty of Customs, Cess and other material statutory dues, as applicable, with the appropriate authorities; though there has been a slight delay in a few cases.
- (b) There are no material undisputed amounts payable in respect of above dues which were in arrears as at March 31, 2025, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, following are the details of outstanding dues in respect of Income Tax, Goods and Service Tax, Sales Tax, service tax, duty of customs, duty of excise, value added tax or cess etc which have not been deposited/adjusted/reversed, on account of dispute: -

Name of the Statute	Nature of Dues	Amount disputed	Amount Disputed (net of payment under protest and adjustment of refund)	Period to which amount relates	Forum Where Dispute is Pending
		(Rs. In Crore)	(Rs. In Crore)		
CENTRAL EXCISE ACT, 1944	Excise duty	0.00	0.00	2005-06	Commissioner, Central Excise
	Excise duty	16.65	11.65	December-2005 to December-2008	Customs Excise and Service Tax Appellate Tribunal
	Excise duty	175.00	175.00	April-2005 to March-2010	Customs Excise and Service Tax Appellate Tribunal
	Excise duty (Advance License)	22.41	22.41	March-2011 to December-2011	High Court, Gujarat
	Excise duty	68.62	68.62	October-2007 to September-2012	Commissioner, Central Excise

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Name of the Statute	Nature of Dues	Amount disputed	Amount Disputed (net of payment under protest and adjustment of refund)	Period to which amount relates	Forum Where Dispute is Pending
		(Rs. In Crore)	(Rs. In Crore)		
	Excise duty	57.38	57.38	April-2009 to March-2010	Customs Excise and Service Tax Appellate Tribunal
	Excise duty	6.82	6.82	February-2014 to March-2015	Customs Excise and Service Tax Appellate Tribunal
	Total	346.88	341.88		
FINANCE ACT, 1944	SERVICE TAX	1.84	1.84	April-2007 to March-2008	High Court, Gujarat
	Total	1.84	1.84		
CUSTOM ACT, 1962	CVD	7.27	7.27	March-2011 to December-2011	Customs Excise and Service Tax Appellate Tribunal
	Custom Duty	1.66	0.83	March-2012 to January-2013	Customs Excise and Service Tax Appellate Tribunal
	Custom Duty	0.02	0.02	Apr-11	Joint Commissioner of Custom (Preventive).
	Total	8.95	8.12		
Income Tax Act, 1961	Income Tax	0.48	-	Assessment Year 2015-16	National Faceless Appeal Centre
	Income Tax	2.36	-	Assessment Year 2016-17	National Faceless Appeal Centre
	Income Tax	1.59	-	Assessment Year 2017-18	National Faceless Appeal Centre
	Income Tax	6.01	3.62	Assessment Year 2019-20	National Faceless Appeal Centre
	Total	10.44	3.62		
Central Goods and Service Tax Act, 2017	Goods and Service Tax	1.45	1.45	April-2020 to March-2021	Joint Commissioner (Appeal)
	Total	1.45	1.45		
MAHARASHTRA VAT ACT, 2002	VAT	8.28	6.06	2009-10	Deputy Commissioner of MVAT
	VAT	25.93	23.09	2010-11	Deputy Commissioner of MVAT
	Total	34.21	29.15		
	Grand Total	403.77	386.06		

The above amount does not include amount of additional interest/fee/penalty, after the determination of the aforesaid liability.

- viii. According to the records of the Company examined by us and the information and explanation given to us, no transaction that has not been recorded in the books of accounts, have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961, (43 of 1961).

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, Company has defaulted in repayment of loans or other borrowing or in the payment of Interest thereon to lenders as on March 31, 2025 and its details are as under: -

Nature of Borrowing, including debt security	Name of the Lender	Amount not paid on due date (Rs. in Crore)	Whether Principal or Interest	No. of days delay or unpaid
Loan	Invent Assets Securitization Reconstruction Private Limited (Debt assignee of Punjab National Bank)	2.00	Principal	1 day
Loan	Invent Assets Securitization Reconstruction Private Limited (Debt assignee of Allahabad Bank)	4.00	Principal	1 day
Loan	Rare Asset Reconstruction Limited (assignee of debts of Indian Overseas Bank)	183.95	Principal	4961 days
Interest on Loan	Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank (included in Borrowing))	0.01	Interest	4961 days
Interest on Loan	Invent Assets Securitization Reconstruction Private Limited (Debt assignee of Punjab National Bank)	1.15	Interest	1 day
Interest on Loan	Invent Assets Securitization Reconstruction Private Limited (Debt assignee of Allahabad Bank)	1.68	Interest	1 day
Interest on Loan	Rare Asset Reconstruction Limited (Debt assignee of Dena Bank)	3.19	Interest	0 to 1005 days

Note: The above amount does not include the rescheduled or restructured amount or period, by the lenders or bankers

- (b) According to the records of the Company examined by us and the information and explanation given to us, read with the notes 37(b) of the standalone financial statement, the company has not been declared, as wilful defaulter by any bank or financial institution or other lender during the year under consideration.
- (c) According to the records of the Company examined by us and the information and explanation given to us, the company has not taken any term loan during the year and accordingly reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long- term purposes by the Company.
- (e) According to the records of the Company examined by us and the information and explanation given to us, during the year the company has not taken any fund from any entity or persons on account of or to meet the obligations of its subsidiaries, associates, or joint venture.
- (f) According to the records of the Company examined by us and the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture, or associate.
- x. (a) According to the records of the Company examined by us and the information and explanation given to us, 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.
- (b) According to the records of the Company examined by us and the information and explanation given to us, the company has not made any preferential allotment or private placements of shares or convertible debentures during the year and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) As informed to us, no material fraud by the Company and on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules 2014 with the Central Government, during the year.
- (c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

- xii. The Company is not a Nidhi Company and accordingly reporting under clause 3(xii) of the Order is not applicable.
- xiii. As per information and explanations given to us by the management, the transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details of related party transactions have been disclosed in the financial Statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
(b) We have considered, the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature timing and extent of our audit procedures.
- xv. In our opinion, during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors, and hence, provisions of section 192 of Act are 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 clauses 3(xvi)(a), (b), and (c) of the Order is not applicable to the Company
(b) As informed by the management of the Company, the group has one Core Investment Company as part of the group.
- xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has not been any resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit date of the audit report indicating that Company is not capable to meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance.
- xx. (a) With respect to other than ongoing projects for the year ended as on March 31, 2025, there are no unspent amount to be transferred to fund specified in Schedule VII to the Companies Act within the period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of the section 135 of the said Act.
(b) As informed by the Company, in respect of ongoing projects, the company has transferred unspent amount of Rs 1.96 Crore to a separate bank account (in place of special account, which could not be opened due to some technical difficulty and the Company is in process to open the special bank account), within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act
- xxi. The requirement of clause 3(xxi), is not applicable in respect of Standalone Financial Statement.

For, Hitesh Prakash Shah & Co
(Firm Regd.no: 127614W)
Chartered Accountants

Hitesh Shah
Partner

Membership No. 124095
UDIN: 25124095BMILBJ2902

Place: Palodia
Date: May 20, 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Annexure B referred to in paragraph B(h) under 'Report on Other Legal and Regulatory Requirements' of Independent Auditor's report of even date for year ended March 31, 2025.

Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act").

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

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone 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 over financial reporting with reference to these Standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting with reference to these Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**Opinion**

In our opinion, the Company has, in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls system over financial reporting with reference to this standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statement were operating effectively as at March 31, 2025 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Hitesh Prakash Shah & Co
(Firm Regd.no: 127614W)
Chartered Accountants

Place: Palodia
Date: May 20, 2025

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBJ2902

Standalone Balance Sheet as at March 31, 2025

(Rs In Crore)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non Current Assets			
a) Property, Plant and Equipment	3	594.67	592.73
b) Capital Work in Progress	3	97.67	44.10
c) Intangible Assets	4a	1.95	2.74
d) Right of Use Assets	4b	3.78	1.03
e) Financial Assets			
i) Investments	5	10.03	9.99
ii) Loans	6	-	-
iii) Other Financial Assets	7	30.86	33.48
f) Deferred Tax Assets (Net)	31	32.14	-
g) Other Non Current Assets	8	22.96	32.81
Total Non- Current Assets (A)		794.06	716.88
Current assets			
a) Inventories	9	592.57	613.25
b) Financial Assets			
i) Investments	5	0.05	0.05
ii) Trade Receivables	10	245.84	212.80
iii) Cash and Cash Equivalent	11	8.79	54.88
iv) Bank Balance Other than (iii) Above	11	63.04	7.03
v) Other Financial Assets	7	1.22	1.28
c) Current Tax Assets	12	11.83	8.80
d) Other Current Assets	8	179.96	185.66
Total Current Assets (B)		1,103.30	1,083.75
TOTAL ASSETS (A+B)		1,897.36	1,800.63
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	12.74	12.74
b) Other Equity	14	(126.17)	(734.96)
Total Equity (A)		(113.43)	(722.22)
Liabilities			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	353.26	606.55
ii) Lease Liabilities	16	1.98	-
b) Provisions	17	29.60	24.58
Total Non Current Liabilities (B)		384.84	631.13
Current liabilities			
a) Financial Liabilities			
i) Short Term Borrowings	18	866.45	1,066.49
ii) Lease Liabilities	16	1.87	1.03
iii) Trade Payables	19		
Total Outstanding Dues Of :			
- Micro Enterprises & Small Enterprises		69.85	127.28
- Other than Micro Enterprises & Small Enterprises		387.91	298.88
iv) Other Financial Liabilities	20	13.16	72.44
b) Other Current Liabilities	21	263.90	304.51
c) Provisions	17	22.81	21.09
Total Current Liabilities (C)		1,625.95	1,891.72
TOTAL EQUITY AND LIABILITIES (A+B+C)		1,897.36	1,800.63
Corporate information and summary of material accounting policy information	1 & 2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBJ2902

Shailesh Bhandari
Executive Vice Chairman
DIN:- 00058866

Suraj Bhandari
Managing Director
DIN:- 07296523

Amit Kumar Patwarika
Chief Financial Officer

Harish Mukati
Chief Executive Officer
(Steel Division)

Fageshkumar R. Soni
Company Secretary

Place: Palodia
Date: May 20, 2025

Place: Palodia
Date: May 20, 2025

Standalone Statement of Profit and Loss for the Year ended March 31, 2025

(Rs In Crore)

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue From Operations	22	4,115.37	4,271.50
Other Income	23	7.55	4.34
Total Income		4,122.92	4,275.84
Expenses			
Cost of Raw Materials and Components Consumed	24	2,723.56	2,988.63
Purchases of Stock in Trade	24	55.79	-
Changes in Inventories of Finished Goods & Work in Progress	25	27.88	(15.25)
Employee Benefit Expense	26	198.85	160.95
Finance Costs	27	45.52	59.82
Depreciation and Amortisation Expense	28	44.39	45.23
Other Expenses	29	737.25	717.03
Total expenses		3,833.24	3,956.41
Profit Before Exceptional Items And Tax		289.68	319.43
Exceptional item	30	106.78	-
Profit Before Tax		396.46	319.43
Tax Expense:			
Income Tax	31	-	-
Deferred Tax		(32.14)	-
Total Tax Expense/(Income)		(32.14)	-
Profit for the Year		428.60	319.43
Other comprehensive income / (loss)			
A. Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent period			
Re-measurement gain / (loss) on defined benefit plans		(2.78)	(2.24)
Income tax effect relating to these items		-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period		(2.78)	(2.24)
Total Other comprehensive income/(loss) for the year, net of tax		(2.78)	(2.24)
Total comprehensive income for the year		425.82	317.19
Earnings per equity share (nominal value of shares Rs 10) (Basic & Diluted before exceptional Item)	35	252.61	250.73
Earnings per equity share (nominal value of shares Rs 10) (Basic & Diluted after exceptional Item)	35	336.42	250.73
Corporate information and summary of material accounting policy information	1 & 2		
The accompanying notes are an integral part of the financial statements			

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBJ2902

Shailesh Bhandari
Executive Vice Chairman
DIN:- 00058866

Suraj Bhandari
Managing Director
DIN:- 07296523

Amit Kumar Patwarika
Chief Financial Officer

Harish Mukati
Chief Executive Officer
(Steel Division)

Fageshkumar R. Soni
Company Secretary

Place: Palodia
Date: May 20, 2025

Place: Palodia
Date: May 20, 2025

Standalone Cash Flow Statement for the Year Ended March 31, 2025

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	396.46	319.43
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation on property, plant, equipment & Amortization of Assets	44.39	45.23
Finance income (including fair value changes in financial instruments)	(3.25)	(2.14)
Net Sundry Balances Written Off/(Written Back)	92.37	2.04
Exceptional item	(106.78)	-
Provision / (Reversal) for Expected Credit Loss	(84.88)	11.01
Other Non Cash Item	-	(0.08)
(Profit)/Loss on Sale/Discard of Property, Plant & Equipments & Capital Work In Progress (Net)	-	(0.06)
Finance costs (including fair value changes in financial instruments)	45.52	59.82
Unrealized foreign exchange (gain)/loss	(3.38)	(3.87)
Operating Profit before working capital changes	380.45	431.38
Working capital adjustments:		
Decrease/(Increase) in trade receivables	(36.86)	(24.49)
Decrease/(Increase) in inventories	20.68	(47.06)
Decrease/(Increase) in other current financial assets & others	0.05	-
Decrease/(Increase) in other current Asset	5.70	(9.85)
Decrease/(Increase) due to lien balance in current Account	(34.29)	-
(Decrease)/Increase in trade payables	31.31	51.03
(Decrease)/Increase in other current liabilities	(40.61)	(50.80)
(Decrease)/Increase in other current financial liabilities	1.02	(0.59)
(Decrease)/Increase in provisions	3.96	4.99
Cash generated from operations	331.41	354.61
Direct taxes (paid)/refund	(3.03)	(3.27)
Net Cash (used in) generated from operating activities	328.38	351.34
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipments & intangible assets (including CWIP and capital advances)	(89.06)	(68.60)
Proceeds from sale of Property Plant & Equipment	-	0.12
Sale of Shares of Subsidiary	0.01	-
Redemption/ (Investments) of bank deposits	(18.64)	(1.56)
Interest income	2.75	1.87
Net Cash (used in) generated from investing activities	(104.94)	(68.17)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings (Net)	(205.51)	(215.58)
Payment of Principal portion of Lease Liabilities	(0.79)	(0.57)
Finance Cost (Net)	(63.23)	(77.78)
Net Cash (used in)/ generated from financing activities	(269.53)	(293.93)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(46.09)	(10.76)
Cash and Cash Equivalents at the beginning of the year	54.88	65.64
Cash and Cash Equivalents at the end of the year	8.79	54.88

Unrealized foreign exchange (gain) / loss

Standalone Cash Flow Statement for the Year Ended March 31, 2025

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Trade Receivable	(3.67)	(4.15)
Trade Payable	0.29	0.28
Total	(3.38)	(3.87)

Notes:-

- a) The above Cash Flow Statement has been prepared under the ""Indirect Method"" as set out in the Indian Accounting Standard 7 "Cash Flow Statement".
- b) Disclosure of change in liabilities arising from financing activities, including both arising from cash flows and non-cash changes are as per Note No. 15(e), 18 & 32(b)(ii).

As per our report of even date
For Hitesh Prakash Shah & Co.
 Chartered Accountants
 Firm Registration No: 127614W

Hitesh Shah
 Partner
 Membership No. 124095
 UDIN: 25124095BMILBJ2902

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Shailesh Bhandari
 Executive Vice Chairman
 DIN:- 00058866

Amit Kumar Patwarika
 Chief Financial Officer

Suraj Bhandari
 Managing Director
 DIN:- 07296523

Harish Mukati
 Chief Executive Officer
 (Steel Division)

Fageshkumar R. Soni
 Company Secretary

Place: Palodia
 Date: May 20, 2025

Place: Palodia
 Date: May 20, 2025

Statement of Change in Equity for the Year ended March 31, 2025
A. EQUITY SHARE CAPITAL

Particulars	No. of Shares	(Rs In Crore)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2023	1,27,42,814	12.74
Change in Equity Share Capital Due to Prior Period Errors	-	-
Restated balance as at April 1, 2023	1,27,42,814	12.74
Add: Issue of Equity Share Capital	-	-
As at March 31, 2024	1,27,42,814	12.74
Change in Equity Share Capital Due to Prior Period Errors	-	-
Restated balance as at April 1, 2024	1,27,42,814	12.74
Add: Issue of Equity Share Capital	-	-
As at March 31, 2025	1,27,42,814	12.74

B. OTHER EQUITY

(Rs In Crore)

Particulars	Reserves & Surplus				Total Other Equity
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
As at April 1, 2023	158.41	240.01	293.94	(1,744.51)	(1,052.15)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at April 1, 2023	158.41	240.01	293.94	(1,744.51)	(1,052.15)
Profit for the year	-	-	-	319.43	319.43
Other Comprehensive Income/(Loss) (Re-measurement Gain on defined benefit plans)	-	-	-	(2.24)	(2.24)
Total Comprehensive Income(Loss)	-	-	-	317.19	317.19
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
As at March 31, 2024	158.41	240.01	290.68	(1,424.06)	(734.96)
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at April 1, 2024	158.41	240.01	290.68	(1,424.06)	(734.96)
Profit for the year	-	-	-	428.60	428.60
Add: Addition During the Year (Refer Note 36(i) & (v))	182.97	-	-	-	182.97
Other Comprehensive Income / (Loss) (Re-measurement loss on defined benefit plans)	-	-	-	(2.78)	(2.78)
Total Comprehensive Income	182.97	-	-	425.82	608.79
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
As at March 31, 2025	341.38	240.01	287.42	(994.98)	(126.17)

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBJ2902

Shailesh Bhandari
Executive Vice Chairman
DIN:- 00058866

Suraj Bhandari
Managing Director
DIN:- 07296523

Amit Kumar Patwarika
Chief Financial Officer

Harish Mukati
Chief Executive Officer
(Steel Division)

Fageshkumar R. Soni
Company Secretary

Place: Palodia
Date: May 20, 2025

Place: Palodia
Date: May 20, 2025

Notes to Standalone Financial Statements for the year ended March 31, 2025**1. CORPORATE INFORMATION:**

Electrotherm (India) Limited (the “Company”) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Company is located at A-1, Skylark Apartment, Satellite Road, Satellite, Ahmedabad, Gujarat. The Company is engaged in the manufacturing of Induction Furnace, Casting Machines, Transformers, Sponge and Pig Iron, Ferrous and Non-Ferrous Billets/ bars/ Ingots, Duct Iron Pipes, Transmission Line Towers, Battery Operated Vehicles and Services relating to Steel Melting and Other Capital equipment.

The financial statements were approved for issue in accordance with a resolution of the directors on May 20, 2025.

2. BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015. (as amended from time to time) including the Companies (Indian Accounting Standards) Amendment Rules, 2019 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements of the Company.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer material accounting policy regarding financial instruments) and derivative financial instruments.

Certain comparative figures appearing in these financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

The financial statements have been presented in Indian Rupee and has been rounded off to the nearest Crore. Amounts less than 0.01 Crore have been presented as “0.00” except where otherwise indicated.

2.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES:**a. CURRENT VERSUS NON-CURRENT CLASSIFICATION:**

The Company presents assets and liabilities in the standalone Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. FOREIGN CURRENCIES:

The Company’s financial statements are presented in Rupees in Crore, which is also the company’s functional currency. The Company determines the functional currency and items included in the financial statements are measured using that functional currency

Notes to Standalone Financial Statements for the year ended March 31, 2025

Transactions and balances

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rates prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements.

Exchange differences arising on settlement of such transactions and on translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

c. FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring fair value measurement.

External valuers are involved for valuation of unquoted financial assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's material accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Notes to Standalone Financial Statements for the year ended March 31, 2025

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises material accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

d. Revenue from contracts with customers:

Revenue from contracts with customers is recognized to the extent that is probable that the economic benefits will flow to the company and revenue can be reliably measurable regardless of when payment is being received. Revenue is measured at transaction value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The company has concluded that it is the principal in all its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

However, the Goods & Service Tax is not received by company on its own account, rather it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Goods:

Revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as Goods and Service Tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognised on application. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.

Dividends:

Dividend is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income and expense:

Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Contract Balances**Contract assets:**

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

Notes to Standalone Financial Statements for the year ended March 31, 2025

Trade receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities (Advance from customers)

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

Refund liabilities:

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

e. PROPERTY, PLANT AND EQUIPMENT (PPE):

Property Plant and Equipment and Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the Standalone Statement of Profit and Loss for the period during which such expenses are incurred.

CWIP comprises of cost of PPE that are yet not installed and not ready for their intended use at the Balance Sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

The Company calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013, except in respect of following fixed assets:

- Long Term Lease hold land is amortised over a period of 99 years, being the lease term.
- Power Plant are depreciated at annual rate of 5% and same is to bring the depreciation rates in line with the useful life of assets as estimated by the Technical Team of the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

f. INTANGIBLE ASSETS:

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets in the form of software are amortised over a period of six years and trademarks over a period of five years as per their respective useful life based on a straight-line method. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Notes to Standalone Financial Statements for the year ended March 31, 2025

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Standalone Statement of profit or loss when the asset is derecognised.

g. IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

h. BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i. LEASES:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:

i Right of use assets

The company recognizes right-of-use assets at the commencement date of the lease (i.e the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets	Estimated Useful Life
Right-of-use of office premises and Leasehold land	Over the balance period of lease agreement

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the material accounting policies in relating to Impairment of non-financial assets.

ii. Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an

Notes to Standalone Financial Statements for the year ended March 31, 2025

index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of office equipment that is considered to be low value amounting to Rs. 0.02 crore. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

j. FINANCIAL INSTRUMENTS:

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or which the Company has applied the practical expedient, are measured at the transaction price determined under Ind AS 115. Refer to the material accounting policies in section 2.1(d) Revenue from contracts with customers

Subsequent measurement

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

- Financial assets instruments (debt instruments) - measured at amortised cost
- Financial asset at fair value through profit or loss (FVTPL) (Derivatives and Equity Instruments)
- Financial asset - measured at fair value through other comprehensive income (FVTOCI)

Financial asset at amortised cost (debt instruments)

A 'financial assets' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Standalone Statement of Profit and Loss. The losses arising from impairment are recognised in the Standalone Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

Financial Assets at FVTOCI

Financial assets that meet the following conditions are measured initially as well as at the end of each reporting date at fair value, recognised in other comprehensive income (OCI).

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the asset that give rise on specified dates to cash flows that represent solely payment of principal and interest.

Notes to Standalone Financial Statements for the year ended March 31, 2025**Financial Assets at FVTPL**

Financial assets are carried in the balance sheet at fair value and net changes in fair value is recognised in the statement of profit and loss.

This category includes derivative instruments and investments in equity instruments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on such investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

Equity investments

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Standalone Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Notes to Standalone Financial Statements for the year ended March 31, 2025

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

The Company considers a financial asset in default when contractual payments are overdue. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities & Equity Instruments

Classification as debt or equity

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

Equity instruments

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

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through Profit or Loss.

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through Statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains / losses are not subsequently transferred to Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Standalone Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Notes to Standalone Financial Statements for the year ended March 31, 2025

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation

Derecognition

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

k. INVENTORIES:

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Scrap is valued at net realisable value. Cost is determined on a Weighted Average method.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them in their respective present location and condition.

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

l. RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Retirement benefits in the form of provident fund are defined contribution plans. The Company has no obligation, other than the contributions payable to provident fund. The Company recognises contribution payable to these funds as an expense, when an employee renders the related service.

For the defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

Notes to Standalone Financial Statements for the year ended March 31, 2025

- Service costs comprising current service costs; and
- Net interest expense or income

The liability in respect of unused leave entitlement of the employees as at the reporting date is determined on the basis of an independent actuarial valuation carried out and the liability is recognized in the Statement of Profit and Loss. Actuarial gain and loss are recognised in full in the period in which they occur in the Statement of Profit and Loss.

m. TAXES:

Tax Expenses comprises of current income tax and deferred tax

Current income tax:

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

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit or Loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

n. PROVISIONS:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed,

Notes to Standalone Financial Statements for the year ended March 31, 2025

the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

o. EARNINGS PER SHARE:

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

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

p. CASH AND CASH EQUIVALENT:

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q. CASH DIVIDEND:

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r. CONTINGENT LIABILITIES:

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

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgements, estimates customer will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from contract with customer. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract with the customer. Before adjusting any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

Judgements

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

Determining the lease term of contracts with renewal and termination options – Company as lessee.

The Company determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes to Standalone Financial Statements for the year ended March 31, 2025

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in Note 33.

Useful Life of Property Plant & Equipment and Intangible assets

Property, Plant and Equipment and Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

2.3 RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 -Insurance Contracts and amendments to Ind As 116 – Leases, relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.

Notes to Standalone Financial Statements for the year ended March 31, 2025

(Rs In Crore)

3 Property, plant and equipment

Particulars	Freehold Land	Building	Plant and Equipment	Computer	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost								
As at April 1, 2023	150.35	300.43	930.63	11.27	5.01	6.20	6.34	1,410.23
Additions	-	0.80	19.82	0.12	0.03	0.69	0.12	21.58
Disposals	-	-	-	0.03	-	-	0.12	0.15
As at March 31, 2024	150.35	301.23	950.45	11.36	5.04	6.89	6.34	1,431.66
Additions	-	0.10	36.11	1.47	0.06	0.69	6.42	44.85
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2025	150.35	301.33	986.56	12.83	5.10	7.58	12.76	1,476.51
Depreciation and Impairment								
As at April 1, 2023	-	97.50	677.30	10.08	2.70	4.48	3.27	795.33
Depreciation and Impairment for the Year	-	13.24	28.17	0.65	0.38	0.63	0.62	43.69
Disposals	-	-	-	0.03	-	-	0.06	0.09
As at March 31, 2024	-	110.74	705.47	10.70	3.08	5.11	3.83	838.93
Depreciation and Impairment for the Year	-	12.22	28.40	0.52	0.36	0.52	0.89	42.91
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2025	-	122.96	733.87	11.22	3.44	5.63	4.72	881.84
Net Block								
As at April 1, 2023	150.35	202.93	253.33	1.19	2.31	1.72	3.07	614.90
As at March 31, 2024	150.35	190.49	244.98	0.66	1.96	1.78	2.51	592.73
As at March 31, 2025	150.35	178.37	252.69	1.61	1.66	1.95	8.04	594.67

Notes:-

- (a) There is a pari-pasu charge by way of Registered Mortgage on Immovable Property, Plant and Equipments & hypothecation on all Movable Property, Plant & Equipments.
- (b) No borrowing costs are capitalized on Property Plant and Equipment during the current and previous years as the company has not borrowed fund for the purpose of acquisition of Property Plant and Equipment.
- (c) The title deed of immovable properties are held in the name of Company.
- (d) Capital Work in Progress

Particulars	(Rs In Crore)
As at March 31, 2024	44.10
As at March 31, 2025	97.67

Notes to Standalone Financial Statements for the year ended March 31, 2025

3(e) Capital Work In Progress ageing schedule is as below

As At March 31, 2025

CWIP Ageing Schedule

(Rs In Crore)

Particular	Amount in CWIP for a period of				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects in progress	68.37	18.58	3.09	7.58	97.62
Projects temporarily suspended	-	-	-	0.05	0.05
Total	68.37	18.58	3.09	7.63	97.67

CWIP which are being temporarily suspended

(Rs In Crore)

Particular	To be completed in				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects temporarily suspended					
Staff Utility	-	-	-	0.05	0.05
Total	-	-	-	0.05	0.05

Capital Work In progress ageing schedule is as below

As At March 31, 2024

CWIP Ageing Schedule

(Rs In Crore)

Particular	Amount in CWIP for a period of				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects in progress	26.05	9.05	2.62	4.96	42.68
Projects temporarily suspended	-	-	0.01	1.41	1.42
Total	26.05	9.05	2.63	6.37	44.10

CWIP which are being temporarily suspended

(Rs In Crore)

Particular	To be completed in				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects temporarily suspended					
Gassifire	-	-	-	0.19	0.19
Gas Pipeline	-	-	-	0.90	0.90
15.0 Mld Desalination Plant	-	-	-	0.28	0.28
Staff Utility	-	-	-	0.05	0.05
Total	-	-	-	1.42	1.42

Notes to Standalone Financial Statements for the year ended March 31, 2025**4(a) Intangible Assets**

(Rs In Crore)

Particulars	Software	Trademark	Total
Cost			
As at April 1, 2023	7.14	0.03	7.17
Additions	-	-	-
As at March 31, 2024	7.14	0.03	7.17
Additions	0.01	-	0.01
As at March 31, 2025	7.15	0.03	7.18
Amortization and Impairment			
As at April 1, 2023	3.44	0.02	3.46
Amortization for the Year	0.97	-	0.97
As at March 31, 2024	4.41	0.02	4.43
Amortization for the Year	0.80	-	0.80
As at March 31, 2025	5.21	0.02	5.23
Net Block			
As at April 1, 2023	3.70	0.01	3.71
As at March 31, 2024	2.73	0.01	2.74
As at March 31, 2025	1.94	0.01	1.95

4(b) Right of Use Assets

(Rs In Crore)

Particulars	Right of Use Assets		
	Premises	Lease Hold Land	Total
Gross Carrying Value			
As at April 1, 2023	5.63	0.96	6.59
Additions	-	-	-
As at March 31, 2024	5.63	0.96	6.59
Additions	3.43	-	3.43
Deduction During the Year	4.33	-	4.33
As at March 31, 2025	4.73	0.96	5.69
Accumulated Amortization			
As at April 1, 2023	4.92	0.07	4.99
Amortization Charged for the Year	0.56	0.01	0.57
As at March 31, 2024	5.48	0.08	5.56
Amortization Charged for the Year	0.67	0.01	0.68
Eliminated on deduction of assets	4.33	-	4.33
As at March 31, 2025	1.82	0.09	1.91
Net Carrying Value			
As at April 1, 2023	0.71	0.89	1.60
As at March 31, 2024	0.15	0.88	1.03
As at March 31, 2025	2.91	0.87	3.78

Notes to Standalone Financial Statements for the year ended March 31, 2025
5 Investments (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current - Investment		
Non-Trade Investments - Investments in Mutual Funds (Quoted) (at fair value through profit and loss)		
- 21,503.949 (March 31, 2024: 21,503.949) Units Of Bandhan Sterling Value Fund -Growth - Regular Plan	0.30	0.28
- 13,027.83 (March 31, 2024: 13,027.83) Units Of Canara Robeco Emerging Equities - Regular Plan Growth	0.30	0.28
- 49,990 (March 31, 2024: 49,990) Units Of Union Focused Largecap Fund - Regular Plan-Growth	0.11	0.11
Other unquoted investments in Government Securities (At Amortized Cost)		
- National Saving Certificates	0.00	0.00
Investment in Equity Instruments (Unquoted) : (at Cost Less Provision for Impairment)		
(a) Investment in unquoted Equity Share of Joint Ventures		
- 90,45,127 (March 31, 2024: 90,45,127) Equity Shares of Rs. 10 each of Bhaskarpara Coal Company Limited	9.06	9.06
Less:- Accumulated Impairment on Bhaskarpara Coal Company Limited (Refer Note 5(b))	(2.13)	(2.13)
(b) Investment in unquoted Equity Share of Subsidiary Company (at Cost Less Provision for Impairment)		
- 38,00,000 (March 31, 2024: 38,00,000) Shares of Rmb 1 each of Jinhua Indus Enterprise Limited	2.04	2.04
- 3,64,20,000 (March 31, 2024: 3,64,20,000) Equity Shares of Rs. 10/- each of Hans Ispat Limited	36.46	36.46
Less: Accumulated Impairment on Hans Ispat Limited (Refer Note 8(d))	(36.46)	(36.46)
- 3,50,000 (March 31, 2024: 3,50,000) Equity Shares of Rs. 10/- each of Electrotherm Services Limited	0.35	0.35
- 7,78,000 (March 31, 2024: 7,78,000) Equity Shares of Rs. 100/- each at a Premium of Rs. 909/- of Shree Ram Electrocast Limited (Refer Note 5(a)).	-	-
- Nil (March 31, 2024: 7,24,400) Equity Shares of Rs. 10 each of ET Elec-Trans Limited	-	0.72
Less: Accumulated Impairment on ET Elec-Trans Limited (Refer Note 5(c))	-	(0.72)
Total Non Current Investment	10.03	9.99
Current-Investment		
Non-Trade Investments - Investments in Mutual Funds (Quoted) (at fair value through profit and loss)		
- 389.612 (March 31, 2024: 389.612) Units Of HSBC Ultra Short Duration Fund-Regular Growth	0.05	0.05
Total Current Investment	0.05	0.05
Aggregate book value of Investments in unquoted equity shares	47.91	48.63
Aggregate Value of Investments in Government Security	0.00	0.00
Aggregate Carrying Value & Books Value of quoted Investments	0.76	0.72
Aggregate amount of impairment in value of investments in unquoted equity shares	38.59	39.31

- (a) The Company holds investment in equity shares of Shree Ram Electrocast Limited as subsidiary company. Due to heavy losses and non operation of Shree Ram Electrocast Limited the amount of Investment of Rs. 78.68 Crore has been written off during the financial year 2015-2016. State Bank of India has conducted auction under Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 & Movable & Immovable Property, Plant & Equipment and Inventory charged with the bank were sold during the year ended on March 31, 2020. In view of the said facts advances to the said subsidiary of Rs 1.79 Crore (March 31, 2024 Rs. 1.79 Crore), shown in Note no. 8, has been treated as Doubtful advance to the Subsidiary Company.
- (b) The Company holds an investment in equity shares of Bhaskarpara Coal Company Limited as a joint venture. The Company have incurred heavy losses and/or are non-operating and therefore the fate of said Company is uncertain. Provision for impairment of Rs. 2.13 Crore (March 31, 2024 Rs. 2.13 Crore) in the value of investment in joint venture namely Bhaskarpara Coal Company Limited has been provided as on April 1, 2016.

Notes to Standalone Financial Statements for the year ended March 31, 2025

- (c) ET-Elec Trans Limited, a subsidiary company, had incurred a cash loss of Rs.0.00 crore and accumulated losses of Rs.1.49 crore as of the reporting date, resulting in complete erosion of its net worth. The company was non-operational for a considerable period. In view of its negative net worth and non-operational status, the Company sold its entire holding of 7,24,400 equity shares in ET-Elec Trans Limited to Mr. Chaitanya Pratap Sharma (Independent Director / Non-Executive Director of the Subsidiary Company and Joint Venture) at a price of Rs.0.10 per share, aggregating to a total consideration of Rs.0.01 crore. The transaction was completed on November 13, 2024, following which ET-Elec Trans Limited ceased to be a subsidiary.

The Company had earlier recognized an impairment loss of Rs.0.72 crore on its investment in ET-Elec Trans Limited, which has now been reversed upon disposal. Additionally, trade receivables of Rs.0.51 crore due from ET-Elec Trans Limited has been written off during the year. A provision for Expected Credit Loss (ECL) in respect of these receivables had already been recognized in April 2016, and accordingly, the provision has also been reversed during the year.

6 Loans

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, Considered doubtful		
Loan Receivable from Subsidiary- Credit Impaired	4.18	4.18
Less: Impairment allowance (Allowance for bad and doubtful debts)	(4.18)	(4.18)
Total	-	-

(a) Loan to subsidiary

(Rs In Crore)

Particulars	Balance as at March 31, 2025	Balance as at March 31, 2024
Electrotherm Services Limited	4.18	4.18

(Rs In Crore)

Particulars	Maximum amount outstanding at any time during the year ended	
	March 31, 2025	March 31, 2024
Electrotherm Services Limited	4.18	4.18

- (b) The settlement of loans and advances to subsidiary is neither planned nor likely to occur in the next twelve months and are given as interest free.
- (c) Loans and advances to subsidiary is given for business purpose.
- (d) Due to uncertainty of recovery, impairment allowance (allowance for bad and doubtful debts) of the amount recoverable of Rs. 4.18 Crore (March 31, 2024 Rs. 4.18 Crore) from Electrotherm Services Limited has been made as on April 1, 2016.

Movement of allowance for expected credit losses

(Rs. In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	4.18	4.18
Provision for expected credit losses	-	-
Balance at end of the year	4.18	4.18

Notes to Standalone Financial Statements for the year ended March 31, 2025
7 Other Financial Assets (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current Other Financial Assets		
Unsecured, Considered Good		
Sundry Deposits (Includes Bank Fixed Deposit of Rs.1.74 Crore (March 31, 2024: 2.07 crore) given as EMD)	28.79	25.09
In term deposit accounts (marked as lien against the LC/BG) (remaining maturity more than 12 months)	2.07	8.39
Total Non Current Other Financial Assets	30.86	33.48
Current Other Financial Assets		
Unsecured, Considered Good		
Loan to Employees	0.09	0.14
Interest accrued	1.13	1.14
Total Current Other Financial Assets	1.22	1.28

8 Other Assets (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Other Non Current Assets		
Unsecured, Considered Good		
Advances for Capital Goods	22.96	32.81
Total Non Current Other Assets	22.96	32.81
Other Current Assets		
Unsecured, Considered Good		
Advance to subsidiaries	0.95	0.95
Enterprises owned or Significantly influenced by Key Managerial Personnel or their relative	0.14	0.15
Advances Recoverable In Cash or Kind (Net)	41.59	32.59
Advances to Staff	0.42	0.23
Advance to Suppliers and Other Parties	117.90	126.82
Prepaid Expenses	1.58	4.66
Balance with Revenue Authorities	14.83	17.80
Unsecured, Considered Doubtful		
Advance to Subsidiaries (Refer Note 5(a) & 8(d)) - Credit Impaired	65.79	65.70
Less : Impairment allowance on subsidiary (allowance for bad and doubtful Advances)	(63.24)	(63.24)
Advance to Suppliers and Other Parties - Credit Impaired	18.05	18.05
Less : Impairment allowance (allowance for bad and doubtful Advances)	(18.05)	(18.05)
Total	179.96	185.66

(a) Movement of allowance for expected credit losses (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	81.29	81.29
Movement in Provision For Doubtful Receivable on Advance to suppliers, subsidiary and other Parties	-	-
Balance at end of the year	81.29	81.29

Notes to Standalone Financial Statements for the year ended March 31, 2025**(b) Advances to Subsidiaries**

(Rs In Crore)

Particulars	Balance As at March 31, 2025	Balance As at March 31, 2024
Jinhua Indus Enterprise Limited	0.95	0.95
Shree Ram Electrocast Limited	1.79	1.79
Hans Ispat Limited	64.00	63.91
Total	66.74	66.65

(Rs In Crore)

Particulars	Maximum Amount Outstanding at any time during the Year Ended	
	March 31, 2025	March 31, 2024
Jinhua Indus Enterprise Limited	0.95	0.95
Shree Ram Electrocast Limited	1.79	1.79
Hans Ispat Limited	64.00	63.91

(c) The settlement of advances to subsidiaries and related parties are not planned.

(d) The Company holds investment in equity shares of Hans Ispat Limited (Wholly Owned Subsidiary Company). Bank of Baroda had filed Original Application against Hans Ispat Limited (Wholly Owned Subsidiary Company) & its guarantors (i.e. Mr. Shailesh Bhandari and Mr. Mukesh Bhandari) before Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act 1993. As per judgement of the Hon'ble DRT, Ahmedabad, the recovery proceedings had been initiated for e-auction of properties and the properties has been auctioned for the amount of Rs. 33.03 Crores in November, 2021. Based on the application of the auction purchaser, the Hon'ble Recovery Officer by order dated July 18, 2024 authorized the bank officer for execution of sale deed in favour of auction purchaser, subject to there being no stay from any higher forum and accordingly the sale deed was presented / executed before SRO Anjar for registration on July 24, 2024.

As on March 31, 2025 the company had Advances of Rs.64.00 Crores (March 31, 2024 Rs 63.91 Crores) and investment of Rs 36.46 Crore (March 31, 2024 Rs.36.46 Crores) and considering all the facts as stated above, the company has provided expected credit loss / Provision for doubtful amount of Rs.63.24 Crores (March 31, 2024 Rs 63.24 Crores) on advances and impairment on investment in subsidiary of Rs 36.46 Crores (March 31, 2024 Rs.36.46 Crores)

(e) Advances to subsidiaries are given for the business purpose.**9 Inventories**

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
a. Raw Material	227.88	224.35
b. Work-In-Progress	174.84	245.24
c. Finished Goods / Stock in Trade [Including goods in transit of Rs.7.73 Crore (March 31, 2024 Rs.6.81 Crore)]	133.88	91.36
d. Stores and Spares [including goods in transit of Rs.0.62 Crore (March 31, 2024 Rs. 0.40 Crore)]	55.97	52.30
Total	592.57	613.25

Notes to Standalone Financial Statements for the year ended March 31, 2025
10 Trade Receivables {Refer Note No 39(b)}

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) Trade receivables from other parties		
Secured Considered Good	38.96	50.32
Unsecured Considered Good	197.20	152.80
Unsecured Considered Doubtful- Credit Impaired	54.80	111.79
Less: Allowance for Expected Credit Loss / Doubtful Receivable	(54.80)	(111.79)
(B) Due from Related Parties		
(Unsecured, Considered Good)		
- Enterprises owned or Significantly influenced by key management personnel or their relative	9.68	9.68
(Unsecured, Considered Doubtful)		
- Subsidiaries Company - Credit Impaired	-	27.90
Less: Allowance for Expected Credit Loss / Doubtful Receivable (Refer Note No 5(c)& 8(d))	-	(27.90)
Total	245.84	212.80

(a) Ageing of Trade Receivable

As at March 31, 2025

(Rs. In Crore)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	28.69	64.03	58.68	37.87	51.49	5.08	245.84
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	0.01	-	9.65	43.78	53.44
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	0.76	0.60	1.36
Total	28.69	64.03	58.69	37.87	61.90	49.46	300.64
Less: Provision for Expected Credit Loss / Doubtful Receivable							
- on Subsidiaries							-
- on Other Parties							(54.80)
Total Trade Receivable							245.84

Notes to Standalone Financial Statements for the year ended March 31, 2025

As at March 31, 2024

(Rs. In Crore)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	41.02	64.24	36.12	59.37	7.50	4.55	212.80
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	4.34	0.52	133.20	138.06
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	1.63	1.63
Total	41.02	64.24	36.12	63.71	8.02	139.38	352.49
Less: Provision for Expected Credit Loss / Doubtful Receivable							
- on Subsidiaries							(27.90)
- on Other Parties							(111.79)
Total Trade Receivable							212.80

(b) Movement in expected credit loss allowance

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	139.69	128.68
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	9.17	11.29
Less: Reduction in expected credit loss allowance on trade receivables	94.06	0.28
Balance at end of the year	54.80	139.69

- (c) A formal credit policy has been framed and credit facilities are given to customer within the framework of the credit policy. As per credit risk management mechanism, a policy for doubtful debt has been formulated and risk exposure related to receivables are identified based on criteria mentioned in the policy and provided for credit loss allowance.

11 Cash and Cash Equivalents

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and Cash Equivalents (At Amortized Cost)		
a. Balances with Bank		
- In Current Account	7.99	53.06
b. Cash on hand	0.80	0.53
c. Unpaid CSR Fund	-	1.29
Cash and cash equivalent for the purpose of statement of cash flow	8.79	54.88
Bank Balance Other than Cash and Cash Equivalents (At Amortized Cost)		
- Lien balances in Current Account(Refer Note No.37(d) (iii))	34.29	-
- Deposit with original maturity of more than three months but less than twelve months	27.44	6.18
- Interest accrued but not due	1.31	0.85
Total	63.04	7.03

Notes to Standalone Financial Statements for the year ended March 31, 2025

12 Current Tax assets (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Income Tax Asset	11.83	8.80
Total	11.83	8.80

13 Equity share capital (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Authorized Share Capital:			
2,50,00,000 (March 31, 2024: 2,50,00,000 and April 1, 2023: 2,50,00,000) Equity Shares of Rs.10/- each	25.00	25.00	25.00
2,50,00,000 (March 31, 2024: 2,50,00,000 and April 1, 2023: 2,50,00,000) 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	25.00	25.00	25.00
2,85,90,000 (March 31, 2024: 2,85,90,000 and April 1, 2023: 2,85,90,000) Partially Convertible Partially Redeemable Preference Shares of Rs. 10/- each	28.59	28.59	28.59
	78.59	78.59	78.59
Issued, subscribed and fully paid up:			
(a) Equity Shares			
1,27,42,814 (March 31, 2024 1,27,42,814 and April 1, 2023: 1,27,42,814) Equity Shares of Rs.10/- each Fully paid up	12.74	12.74	12.74
	12.74	12.74	12.74

a) Details of reconciliation of the number of equity shares outstanding:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No of shares	(Rs In Crore)	No of shares	(Rs In Crore)
Equity Shares :				
At the beginning of the year	1,27,42,814	12.74	1,27,42,814	12.74
Add: Shares issued during the year	-	-	-	-
At the end of the year	1,27,42,814	12.74	1,27,42,814	12.74

b) Rights, preference and restriction attached to Equity Shares

The face value of the Equity shares is Rs 10/- per share . Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year, the company has not declared any dividend.

The shareholders are not entitled to exercise any voting right either personally or proxy at any meeting of the Company in cases of calls or other sums payable have not been paid.

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

c) Rights, preference and restriction attached to Preference Shares

- The face value of the Preference shares is Rs 10/- per share . The Preference share holders have voting right in their meeting. During the year, the Company has not declared any dividend.
- In the event of liquidation of the Company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital .

Notes to Standalone Financial Statements for the year ended March 31, 2025**d) Rights, preference and restriction attached to Partially Convertible Partially Redeemable Preference Shares (PCPRPS)**

- The face value of the PCPRPS is Rs 10/- per share . The preference share holders have voting right in their meeting. During the year, the Company has not declared any dividend.
- In the event of liquidation of the Company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.
- The Equity Shares arising upon conversion of the PCPRPS shall rank pari passu with the existing Equity Shares of the Company in all respects, including dividend.

e) Details of shareholders holding more than 5% equity shares in the company

Name of Shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Castleshine PTE Limited	10,00,000	7.85	10,00,000	7.85
Leadhaven PTE Limited	10,00,000	7.85	10,00,000	7.85
Western India speciality Hospital Limited	9,75,000	7.65	9,75,000	7.65
Mr. Shailesh Bhandari {Refer Note 13(g)}	8,48,275	6.66	8,48,275	6.66
Mr. Mukesh Bhandari {Refer Note 13(g)}	8,09,500	6.35	8,09,500	6.35

f) Share holding of the Promoters

Sr. No.	Name of Promoters	Category	As on March 31, 2025		As on March 31, 2024		% Change During the year
			No. of Shares	% of Shares	No. of Shares	% of Shares	
1	Shailesh Bhandari {Refer Note 13(g)}	Promoters	8,48,275	6.66	8,48,275	6.66	-
2	Mukesh Bhandari {Refer Note 13(g)}	Promoters	8,09,500	6.35	8,09,500	6.35	-
3	Ritu Bhandari	Promoters Group	2,15,763	1.69	2,43,025	1.91	(0.21)
4	Nagesh Bhandari	Promoters Group	1,95,470	1.53	2,33,125	1.83	(0.30)
5	Suraj Shailesh Bhandari	Promoters Group	81,100	0.64	81,100	0.64	-
6	Anurag Mukesh Bhandari	Promoters Group	-	-	76,050	0.60	(0.60)
7	Siddharth Mukesh Bhandari	Promoters Group	-	-	65,100	0.51	(0.51)
8	Mukesh Bhanwarlal Bhandari (HUF)	Promoters Group	-	-	60,000	0.47	(0.47)
9	Late Indubala Bhandari	Promoters Group	51,500	0.40	51,500	0.40	-
10	Jyoti Bhandari {Refer Note 13(g)}	Promoters Group	-	-	375	0.00	(0.00)
11	Reema Bhandari {Refer Note 13(g)}	Promoters Group	2,01,800	1.58	275	0.00	1.58
12	Western India Speciality Hospital Limited	Promoters Group	9,75,000	7.65	9,75,000	7.65	-
13	Bhandari Rakesh	NRI-Promoter Group	4,32,320	3.39	5,12,500	4.02	(0.63)
14	Dalal Narendrakumar Babubhai	Promoters Group	-	-	-	-	-
	TOTAL		38,10,728	29.90	39,55,825	31.04	(1.14)

- g) As per the Family Settlement Agreement (FSA) executed amongst Mukesh Bhandari Family and Shailesh Bhandari Family, on March 29, 2025 Mr. Mukesh Bhandari will transfer 8,09,500 Equity shares (representing 6.35%) of Electrotherm (India) Limited to Mr. Shailesh Bhandari, upon fulfilment of terms and conditions of FSA. Further, Mr. Mukesh Bhandari has executed voting agreement and other related documents, in favour of Mr. Shailesh Bhandari, pursuant to said FSA. Further, the mode of transfer of said shares will be off market inter-se transfer. Also, the process of actual transfer of 8,09,500 equity shares from Mr. Mukesh Bhandari to Mr. Shailesh Bhandari will be completed after the said shares of Mr. Mukesh Bhandari are free from attachment / freezing / encumbrance.

Notes to Standalone Financial Statements for the year ended March 31, 2025

Pursuant to the FSA, Mrs. Jyoti Bhandari has executed gift deed on March 29, 2025 for transfer of 2,01,525 Equity shares of the Company, to Mrs. Reema Bhandari, as such, shareholding of Mrs. Reema Bhandari is shown as 2,01,800 Equity share considering 2,01,525 Equity shares of Mrs. Jyoti Bhandari have been transferred to Mrs. Reema Bhandari and shareholding of Mrs. Jyoti Bhandari is shown as '0' (Nil). However, Actual transfer of the said equity shares from Mrs. Jyoti Bhandari to Mrs. Reema Bhandari are under process.

For further details related to FSA refer note no.43

- h) As per Records of the Company, including its register of Shareholder/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent legal ownership of shares.
- i) The Company has calls in arrears / unpaid calls of Rs. Nil (March 31, 2024: Nil)
- j) **Details of Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. (during 5 years immediately preceding March 31, 2025): Nil**

14 Other equity

Particulars	(Rs. In Crore)
(a) Capital Reserve	
As at April 1, 2023	158.41
Increase/(decrease) during the Year	-
As at March 31, 2024	158.41
Increase/(decrease) during the Year {(Refer Note 36(i) & (v))}	182.97
As at March 31, 2025	341.38
(b) Securities Premium	
As at April 1, 2023	240.01
Increase/(decrease) during the Year	-
As at March 31, 2024	240.01
Increase/(decrease) during the Year	-
As at March 31, 2025	240.01
(c) General Reserves	
As at April 1, 2023	293.94
Increase/(decrease) during the Year	(3.26)
As at March 31, 2024	290.68
Increase/(decrease) during the Year	(3.26)
As at March 31, 2025	287.42
(d) Retained Earnings	
As at April 1, 2023	(1,744.51)
Profit for the year	319.43
Other Comprehensive Income/(Loss) (Re-measurement Gain on defined benefit plans)	(2.24)
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2024	(1,424.06)
Profit for the year	428.60
Other Comprehensive Income / (Loss) (Re-measurement Loss on defined benefit plans)	(2.78)
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2025	(994.98)
Total Other Equity	
As at March 31, 2024	(734.96)
As at March 31, 2025	(126.17)

Notes to Standalone Financial Statements for the year ended March 31, 2025**a. Capital Reserve**

Capital reserve includes amount of debt reduction and is not available for distribution of profits.

b. Securities Premium

Securities Premium is used to record the premium on issue of shares and is utilized in accordance with the provisions of the Companies Act, 2013.

c. General Reserve

General Reserve is used from time to time to transfer profits to/from Retained Earnings for appropriation purposes including the amount arising due to past revaluation of land and building under previous GAAP. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

d. Retained Earnings

Retained Earnings are the profits / (loss) of the Company earned till date and net of appropriations.

15 Borrowings {Refer Note No. 36}

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term Loans from Banks {Refer Note No. (a) & (c) below}		
- Rupee Term Loan	-	243.39
Loans from Asset Reconstruction Companies {Refer Note No. (a) & (c) below }		
- Rupee Term Loan	1,205.21	1,415.16
Less: Current Maturity of Long Term Borrowing	(851.95)	(1,052.00)
Total	353.26	606.55

(a) Security given

Rupee term loan are secured by first Charge / sub-servient charge by way of Equitable mortgage of all immovable properties and hypothecation of specified movable assets situated at Vatva, Palodia, Dhank, Samakhiyali – Kutch, and Chhadawada – Bhachau and Juni Jithardi, Karjan, Vadodara and Bank Fixed Deposits & as second charge on all Stock-in-Trade & Receivables. Further the loans are guaranteed by the personal guarantees of some of the Directors of the Company.

(b) Interest Rate on Borrowing and delay payment are as under:-

Name of Lender	Rate of Interest (%)
Edelweiss Asset Reconstruction Company Limited	11% p.a.
Invent Assets Securitization and Reconstruction Private Limited	11% p.a.
Rare Asset Reconstruction Limited (Being assignee of Debts of Dena Bank)	18% p.a.

(c) Company has defaulted in repayment of the Installment due to the Lenders. Details of the default are as follows:

The Company has not paid the instalments and interest due (included in interest accrued in current Other financial liability) and its details is as under. The Company has requested respective lenders/ARCs to revise repayment schedule and which is yet to be confirmed by the respective lenders/ARCs.

(Rs In Crore)

Name of Lender	Principal	Default Period From
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Punjab National Bank)	2.00	March 2025
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Allahabad Bank)	4.00	March 2025
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	183.95	August 2011 onward
Total	189.95	

Notes to Standalone Financial Statements for the year ended March 31, 2025

(Rs In Crore)

Name of Lender	Interest	Default Period From
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank (included in Borrowing))	0.01	August 2011 to March 2025
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Punjab National Bank, Allahabad Bank)	2.83	March 2025
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank)	3.19	June 2022 to June 2024
Total	6.03	

The default period and the amount of default has been considered from the date of the default of the Installment due but have not been paid as per the latest sanction restructured agreement.

(d) Repayment Schedule as per Sanction is as under: -

(Rs In Crore)

Particulars	Due or payable / to be Adjusted with in 1 Year	Payable / to be Adjusted with in 1 - 3 Year
Secured		
Loans from Asset Reconstruction Companies		
- Rupee Term Loan	851.95	353.26
Total	851.95	353.26

(e) Net Debt Reconciliation

(Rs In Crore)

Particulars	Long Term Borrowings	Interest Expenses
As at April 1, 2023	1,874.12	84.72
Interest Expenses	-	55.23
Outflow	(215.57)	(73.25)
As at March 31, 2024	1,658.55	66.70
Interest Expenses	-	42.75
Outflow & Reversal on account of Settlement	(453.34)	(102.57)
As at March 31, 2025	1,205.21	6.88

- (f) The Company has defaulted in complying with the terms and conditions of settlement entered with the ARCs as stated in (c) above and as per the settlement terms, in case of default, the agreement stands withdrawn and all the dues & liabilities as per original terms shall be restored. However, the Company is in negotiation with the respective lenders for rescheduling / restructuring of the said loan and the company is hopeful for no further liability on the Company and therefore, the final amount of liability to be paid is not ascertainable and which has not been accounted for.
- (g) With regard to the Outstanding Borrowing amounts the impact of reduction in debt due to Settlement with ARCs, will be given on the final compliance of all the terms and conditions of the settlement terms.
- (h) The Company does not have any foreign Currency borrowing.

Notes to Standalone Financial Statements for the year ended March 31, 2025**16 Lease Liabilities**

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current Lease Liability		
Payable to: -		
Others	1.98	-
Total Non Current Lease Liability	1.98	-
Current Lease Liability		
Payable to: -		
Key Managerial Personnel	0.15	0.41
Relative of Key Managerial Personnel	0.31	0.05
Enterprise Owned or Significantly Influence key Managerial Personal	0.37	-
Others	1.04	0.57
Total Current Lease Liability	1.87	1.03

Note: For Net Debt related to lease liability refer note no 32(b).

17 Provisions

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current Provision		
Provision for employee benefits*	29.60	24.58
Total Non Current Provision	29.60	24.58
Current Provision		
Provision for employee benefits*	13.29	11.18
Provision for warranty	9.52	9.91
Total Non Current Provision	22.81	21.09

* Provision for Employee Benefits includes Provision for Leave Encashment, Gratuity and Bonus.

In pursuance of Ind AS 37 - 'Provisions, contingent liabilities and contingent assets, the provisions required have been incorporated in the books of account in the following manner:

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance of warranty	9.91	7.49
Add: Provision recognised during the year	7.25	9.46
Less: Amount utilised during the year	7.64	7.04
Closing balance of warranty	9.52	9.91

The Company gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made at the year end represents the amount of expected cost of meeting such obligations of rectification / replacement based on the historical data available. The timing of the outflows is expected to be within a period of one year.

Notes to Standalone Financial Statements for the year ended March 31, 2025

18 Short Term Borrowings

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Current Maturities of Long term borrowings {Refer Note No 15}	851.95	1,052.00
Unsecured		
Loans repayable on demand from: -		
Key Managerial Personnel	-	0.24
Relatives of Key Managerial Personnel	0.42	0.17
Enterprise Owned or significantly influenced by Key Managerial Personnel or Their Relative	1.75	1.75
Other Body Corporates	0.33	0.33
	854.45	1,054.49
1,20,00,000 (March 31, 2024: 1,20,00,000) 6 % Non-Cumulative Redeemable Preference Shares Of Rs.10/- each Fully Paid Up, Redeemable At Par.*	12.00	12.00
Total	866.45	1,066.49

* Pursuant to the provisions of Section 80 and other applicable provisions of the Companies Act, 1956, the Company has issued and allotted 1,20,00,000 - 6% Non-Cumulative Redeemable Preference Shares ("NCRPS") of Rs.10/-each in three tranches [i.e. (i) 35,60,000 NCRPS on March 11, 2005, (ii) 44,40,000 NCRPS on April 01, 2005 and (iii) 40,00,000 NCRPS on May 14, 2005] which shall be redeemable at par not earlier than two (2) years but not later than twenty (20) years from the date of allotment (i.e. on or before (i) March 11 , 2025, (ii) April 01, 2025 and (iii) May 14, 2025, respectively. Pursuant to Section 55(3) of the Companies Act, 2013 with the requisite consent of preference shareholders and subject to approval of Hon'ble National Company Law Tribunal, the Board of Directors in their meeting held on February 11, 2025, has accorded their consent to issue and allot 1,20,00,000 - 6% Non-Cumulative Redeemable Preference Shares ("NCRPS") of face value of Rs. 10/- each to the existing 6% NCRPS holders, of amount equivalent to the amount of unredeemed Preference Shares of Rs. 12.00 Crore (Rupees Twelve Crore Only) on the same terms of existing 6% NCRPS, in lieu of the unredeemed preference shares and on the issue of such further Redeemable Preference Shares, original unredeemed Preference Shares shall be deemed to have been redeemed. Further, the Company has filed the Company Petition under the provisions of Section 55(3) of the Companies Act, 2013 on March 11, 2025 before Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT"), wherein the Hon'ble NCLT has issued notice and now the same is pending for further consideration. Necessary adjustment with respect to issue of NCRPS will be made upon approval by the Hon'ble NCLT.

Net Debt Reconciliation of Unsecured Loan

(Rs In Crore)

Particulars	Short Term Borrowings
As at April 1, 2023	2.50
Inflow	-
Outflow	(0.01)
As at March 31, 2024	2.49
Inflow	-
Outflow	-
As at March 31, 2025	2.49

Notes to Standalone Financial Statements for the year ended March 31, 2025**19 Trade Payables {Refer Note No 39(b) and 41(a) & (b)}**

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Outstanding dues of Micro and Small Enterprises	69.85	127.28
Total Outstanding dues of creditors other than Micro and Small Enterprises		
Dues to Subsidiaries	0.02	0.02
Dues to Key Managerial Personnel	0.10	0.08
Dues to Enterprise Owned or Significantly Influenced by Key Managerial Personnel or Their Relative	13.94	0.00
Others	373.85	298.78
Total	457.76	426.16

- (a) Amount due to micro and small enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information received by the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. The Company has not accrued interest due to parties registered under MSME Act, 2006 and impact of the same is not ascertainable. The management is of the opinion that the amount if any would not be material. Hence, disclosure as per the Micro, Small and Medium Enterprises Act for interest is not required. These facts have been relied upon by the auditors. The disclosures relating to micro and small enterprises is as below:

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Trade Payable	69.85	127.28
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Creditors for Capital Goods (Refer Note No 20)	0.61	0.56
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-

(b) Ageing of Trade Payables**As at March 31, 2025**

(Rs. In Crore)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	47.34	22.08	0.43	-	-	69.85
Total outstanding dues of creditors other than micro enterprises and small enterprises	150.45	178.35	10.31	19.58	29.22	387.91
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	197.79	200.43	10.74	19.58	29.22	457.76

Notes to Standalone Financial Statements for the year ended March 31, 2025

As at March 31, 2024

(Rs. In Crore)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	87.23	39.89	-	-	0.16	127.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	124.92	123.53	20.47	5.77	24.19	298.88
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	212.15	163.42	20.47	5.77	24.35	426.16

20 Other Financial Liabilities

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Other Financial Liabilities		
Creditors for Capital expenditure (Includes amount payable to MSME of Rs.0.61 Crore (March 31, 2024 Rs 0.56 Crore))	1.69	2.17
Interest accrued and due	6.02	47.51
Interest accrued but not due	0.86	19.19
Unspend CSR	1.96	1.29
Others*	2.63	2.28
Total Current Other Financial Liabilities	13.16	72.44

*Other Includes amount payable as reimbursement of expenses to staff and others.

21 Other current liabilities

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Other Liabilities		
Advance from Customers (Contract Liabilities)	240.45	279.00
Advance from enterprise owned or significantly influenced by Key Managerial Personnel	0.07	0.01
Other Miscellaneous Liabilities	0.19	0.14
Statutory Dues Payable	23.19	25.36
Total Other Current Liabilities	263.90	304.51

Notes to Standalone Financial Statements for the year ended March 31, 2025**22 Revenue From Operations**

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue From Contracts With Customers		
Sales of Products	4,087.49	4,248.06
Revenue From Service Contracts	22.90	12.11
Total Revenue from Contracts with Customers	4,110.39	4,260.17
Other Operating Income	4.98	11.33
Total Revenue From Operation	4,115.37	4,271.50
i) Disaggregated revenue Information		
Types of Goods & Services		
(a) Engineering & Technologies Division	1,171.60	1,316.12
(b) Special Steel Division	2,931.83	2,931.87
(c) Electric Vehicle Division	24.91	32.12
(d) Revenue From Service Contracts with Customers	22.90	12.11
Gross Revenue Company as a Whole	4,151.24	4,292.22
Less:- Inter Segment Revenue	(35.87)	(20.72)
Total Revenue From Operation	4,115.37	4,271.50
India	3,887.81	3,898.47
Outside India	227.56	373.03
Total Revenue From Contracts with Customers	4,115.37	4,271.50

Set Out below is the amount of revenue recognised from:-

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Amount of Contract Liability (Advance From Customers) at the beginning of the year	279.01	332.38
Performance obligation satisfied during the year	197.43	241.34

Performance Obligation :-

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Within one Year	1,050.09	1,114.09
More than One Year	-	-

Contract Balances As At:

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Contract Balances		
Trade Receivables	245.84	212.80
Contract Liabilities (Advance from Customers)	240.52	279.01

Notes to Standalone Financial Statements for the year ended March 31, 2025

Reconciliation of the amount of Revenue recognised in the statement of Profit and Loss with the contract price (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue as per Contract Price	4,115.21	4,272.36
Adjustments for Discounts & Rebates	4.82	12.19
Revenue From Contracts with Customers	4,110.39	4,260.17

Revenue from sale of products of Rs 4087.49 Crore (March 31, 2024 Rs.4248.06 Crore) are recorded at a point of time and those from sale of services of Rs.22.90 Crore (March 31, 2024 Rs. 12.11 Crore) are recognised over a period of time.

23 Other Income (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income on :		
- Fixed Deposits	1.89	1.07
- Others	1.31	0.88
Profit on Sale/Discard of Property, Plant & Equipments (Net)	-	0.06
Foreign Exchange Fluctuation (net)	2.87	0.71
Fair Valuation gain/(loss) on Financial Instruments at the fair value through Profit & Loss	0.05	0.19
Miscellaneous Income	1.43	1.43
Total	7.55	4.34

24 Cost of Raw Materials and Components Consumed (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Inventory	224.35	195.40
Add: Purchases & Other Expenses	2,727.09	3,017.58
Total	2,951.44	3,212.98
Less: Closing Inventory	227.88	224.35
Cost of Raw Material Consumed	2,723.56	2,988.63
Purchase of Stock in Trade		
Trading Purchase	55.79	-

25 Changes in Inventories of Finished Goods & Work in Progress (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventory at the beginning of the year		
- Work In Progress	245.24	236.03
- Finished Goods	91.36	85.32
Sub Total	336.60	321.35
Inventory at the end of the Year		
- Work In Progress	174.84	245.24
- Finished Goods	133.88	91.36
Sub Total	308.72	336.60
Total	27.88	(15.25)

Notes to Standalone Financial Statements for the year ended March 31, 2025**26 Employee Benefit Expense** (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, Wages, Allowances and Bonus	186.92	150.60
Contribution to Provident and other funds (Refer Note No. 33)	9.16	8.13
Staff Welfare and amenities	2.77	2.22
Total	198.85	160.95

27 Finance Costs (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Expenses on Bank Loan	0.00	-
Other Interest	0.91	0.50
Interest Expenses on Account of Settlement of Loans with Banks and Asset Reconstruction Companies	42.75	55.23
Interest on Statutory Dues	0.44	3.10
Interest on Lease Liability	0.18	0.06
Bank Charges	1.24	0.93
Total	45.52	59.82

28 Depreciation and Amortisation Expense (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation and Impairment of tangible assets {Refer note - 3}	42.91	43.69
Right of Use Asset {Refer Note 4(b)}	0.68	0.57
Amortization of intangible assets {Refer note 4(a)}	0.80	0.97
Total	44.39	45.23

29 Other Expenses

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Power & Fuel	150.17	141.35
Consumption of Stores & Spares	197.63	200.17
Labour & Job Charges	112.54	108.62
Machinery Repairs	8.81	2.75
Building Repairs	1.74	0.98
Other Repairs	8.13	6.91
Water Charges	9.35	9.70
Hire-Lease-Rent Charges	14.79	15.83
Rates & Taxes	2.98	2.80
Insurance Premium	6.40	6.55
Postage Telegram & Telephone Expenses	1.59	1.45
Conveyance Expenses	1.26	1.02
Travelling Expenses	11.90	10.18
Printing & Stationery	0.30	0.40
Vehicle Expenses	0.82	0.96
Security Expenses	2.86	2.66
CSR Activity (Refer Note No 48)	2.67	0.48
Subscription & Membership	0.25	0.11
Net Sundry Balances Written Off	92.37	2.04
Net Provision For Expected credit loss for trade receivable	(84.88)	11.01

Notes to Standalone Financial Statements for the year ended March 31, 2025

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Loss on Sale of Investment {Refer Note No.5(c)}	0.72	-
Provision for Impairment on investment reversed	(0.72)	-
Auditors' Remuneration:		
- Audit Fees	0.25	0.25
- Limited Review	0.03	0.03
- Certificate and Other	0.01	0.04
Legal & Professional Charges	11.80	10.98
Warranty Expenses	7.25	9.46
Guest House Expenses	1.36	1.38
Miscellaneous Expenses	7.59	4.64
Donation	0.49	0.43
Advertisement & Sales Promotion	18.71	24.43
Commission Expenses	18.27	24.51
Freight Outward & other Expenses	129.58	114.69
Director Sitting fees	0.23	0.22
Total	737.25	717.03

30 Exceptional Item {Refer Note No. 39 (j)}

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Reversal on account of waiver of the interest	106.78	-
Total	106.78	-

31 Income Tax
a Component of Income tax

(Rs In Crore)

The Major component of income tax expense for the year ended March 31, 2025 & March 31, 2024 are:	Year Ended March 31, 2025	Year Ended March 31, 2024
Current Tax		
Current Income Tax	-	-
Deferred Tax		
Deferred Tax Expenses/(Benefit)	(32.14)	-
Tax in Respect of earlier years	-	-
Income tax expense reported in the Statement of Profit & Loss	(32.14)	-
Other Comprehensive Income (OCI)		
Deferred tax related to items recognized in OCI during the year	-	-
Re-measurement loss on defined benefit Plans	-	-
Deferred Tax credited to OCI	-	-

b Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2025 & March 31, 2024:

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Accounting profit before tax	396.46	319.43
Enacted income tax rate in India applicable to the company	25.17%	25.17%
Tax using the Company's domestic tax rate	99.79	80.40
Tax effects of:		
Income Tax allowances	(79.57)	(33.18)
Non-Deductible expenses	29.65	38.05
Unused Tax Loss	(49.00)	(84.53)
Others	(0.87)	(0.74)
At the effective income tax Nil rate as at March 31, 2025 (Nil Rate as at March 31, 2024)	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2025**c Details of carry forward losses and unused credit**

The company has Unabsorbed depreciation which is carried forward indefinitely. The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendments) ordinance 2019.

d Deferred Tax**Movement in deferred tax Assets (net) for the year ended 31st March, 2025**

(Rs In Crore)

Particulars	Opening Balance As at April 01, 2024	Recognized in Statement Profit & Loss Account	Closing Balance as at March 31, 2025
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	36.22	(7.62)	28.60
Investment	0.10	0.01	0.11
Total	36.32	(7.61)	28.71
Tax effect of items constituting deferred tax assets:			
Asset on expenses allowed in year of payment	33.15	(14.87)	18.28
Unabsorbed Depreciation under Tax Laws*	54.41	(47.45)	6.96
Lease Loan liability	0.26	0.71	0.97
Other adjustments	57.06	(22.42)	34.64
Total	144.88	(84.03)	60.85
Net Deferred Tax Assets	108.56	(76.42)	32.14

Movement in deferred tax Assets (net) for the year ended March 31, 2024

(Rs In Crore)

Particulars	Opening Balance As at April 01, 2023	To be Recognized in Statement of Profit & Loss Account	Closing Balance as at March 31, 2024
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	23.37	12.85	36.22
Investment	0.05	0.05	0.10
Total	23.42	12.90	36.32
Tax effect of items constituting deferred tax assets:			
Asset on expenses allowed in year of payment	29.11	4.04	33.15
Unabsorbed Depreciation / under Tax Laws*	138.94	(84.53)	54.41
Lease Loan liability	0.38	(0.12)	0.26
Other adjustments	51.80	5.26	57.06
Total	220.23	(75.35)	144.88
Net Deferred Tax Assets[®]	196.81	(88.25)	108.56

[®]Net Deferred tax assets have not been recognized, as it was not probable that sufficient taxable income will be available in the future against which such deferred tax assets can be realized in the normal course of business of the company.

*DTA on unabsorbed depreciation has been computed on the basis of assumption that the same is available for set off against the future profit as the management is hopeful that the Income tax Assessment order refer in note no 32(a)(v) & (x) will be decided in favour of the company.

32 Contingent Liabilities and Other Commitments**(a) Claims against the Company not acknowledged as debts towards:**

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
i) VAT & CST	29.15	29.15
ii) Service Tax	1.84	1.84
iii) Custom Duty	8.12	8.12
iv) Excise Duty	341.88	341.88
v) Income Tax	3.62	9.44
vi) Goods and Service Tax	1.45	2.13
vii) Guarantees / Counter Guarantees	20.33	9.43

Notes to Standalone Financial Statements for the year ended March 31, 2025

- viii) There was proceedings of Inspection & Search by the State Goods and Service tax authorities, at the various places of the company and its subsidiary Company Hans Ispat Limited, during January 18, 2021 to February 3, 2021 and during the course of said proceedings, as determined by the authorities on various points, the company has voluntarily paid total amount of Rs 9.57 Crore towards tax, Interest and Penalty, on February 3, 2021. The Company has accounted Rs 6.69 Crore as expenses and Rs 2.88 Crore has been shown as recovery from suppliers. In the opinion of the Company, there will not be any further additional liability with regard to said proceedings. Thereafter, certain other documents as informed by GST authorities, related to the company has been seized and verification of the same is in process by the said authorities.
- ix) Claims against the Company not acknowledged as debts amounting to Rs.1.05 Crore (As at March 31, 2024: Rs.1.11 Crore), are pending before various courts, authorities, arbitration, Consumer Dispute Redressal Forum etc.
- x) During the year ended as at March 31, 2024, the Company has received the assessment order for the Assessment Year 2016-17 from the income tax department where in addition of Rs 662.01 Crore has been made. Against the said addition, set off of the Carried Forward unabsorbed Business Loss and Depreciation has been given. The company has filed an appeal before the higher authority and the management is hopeful that the matter will be decided in the favour of the company.

Note:-

- i. Future cash flows in respect of above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities.
- ii. The above amounts are without the amount involved in the appeal preferred by the Department, if any, and further applicable interest on the demand. The above amounts are after payment of tax under protest and adjustment of refund and has been shown as advances / Balance with Revenue Authority.
- iii. During the financial year ended on March 31, 2019, Goods and Service Tax Department of Maharashtra has re-determined Value Added Tax liability (including interest and penalty) of Rs. 6.28 Crore for the financial year 2009-10 and Rs. 23.93 Crore for the financial year 2010-11 after adjustment of Rs. 4.00 Crore paid by the Company under protest. The Company has paid Rs 1.07 Crore during the year ended as at March 31, 2020 and have filed an appeal before the Deputy Commissioner of State Tax, Mumbai. On account of the said order presently the liability of the Company is of Rs. 29.15 Crore (March 31, 2024: Rs. 29.15 Crore). The provision for impugned disputed tax liability has not been made for as the Company is hopeful of matter being decided in its favor by appellate authority.

(b) Lease

The Company's leasing arrangements are for premises, these ranges between 5 months to 5 years and are usually renewable on mutually agreed terms.

(i) Lease liabilities as at (Rs In Crore)

Particulars	March 31, 2025	March 31, 2024
Current Lease Liabilities	1.87	1.03
Non-Current Lease Liabilities	1.98	-
Total	3.85	1.03

(ii) The following is the movement in the lease liability for the year ended March 31, 2025 (Rs In Crore)

Particulars	Amount
As at April 01, 2023	1.54
Additions	-
Finance Cost Accrued during the year	0.06
Payment/write back of lease Liabilities	0.57
As at March 31, 2024	1.03
Additions	3.43
Finance Cost Accrued during the year	0.18
Payment of lease Liabilities	0.79
As at March 31, 2025	3.85

Notes to Standalone Financial Statements for the year ended March 31, 2025**(iii) The following are the expenses recognised in profit and loss**

(Rs In Crore)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Depreciation expenses of Right of use assets	0.68	0.57
Interest Expenses on Lease Liability	0.18	0.06
Total Expenses	0.86	0.63

(iv) Short Term Lease

- (a) The Company has certain operating leases for office premises (short term leases) and low value lease. Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties. Rental expenses of Rs 3.04 Crore (March 31, 2024: Rs 3.35 Crore) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

(v) Leases liabilities

- (a) The Company has taken premises, residential building, etc. under various lease agreements and its breakup for future rent payable by the company is as under:-

(Rs In Crore)

Contractual maturities of lease liabilities on an undiscounted basis	Year ended March 31, 2025	Year ended March 31, 2024
Within one year	1.35	0.21
After one year but not more than five years	2.16	-

- (b) The Company has taken certain land on lease for factory purposes. Since these are entirely prepaid, the Company does not have any future lease liability towards the same.

(c) Commitments

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Estimated amount of contracts remaining to be executed on capital account (net off advances) and not provided for	158.44	183.09

33 Employee benefit obligations

The Company has classified the various employee benefits provided to employees as under:

I Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss-

(Rs In Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employers' Contribution to Provident Fund (including contribution to Employees' Pension Scheme 1995)	9.16	8.13

II Defined Benefit Plans

The Company operates gratuity plan in the nature of defined benefit plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act, 1972. Company's Engineering & Technologies and Electric Vehicle Division having a gratuity plan is funded with Life Insurance Corporation of India and HDFC Bank while Special Steel Division is not maintaining such fund in any gratuity scheme.

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Gratuity		
Current	5.52	4.59
Non-Current	23.63	19.60
Total	29.15	24.19

Notes to Standalone Financial Statements for the year ended March 31, 2025

Significant assumptions :

The significant actuarial assumptions were as follows :

Particulars	As at March 31, 2025	As at March 31, 2024
Discount Rate & Expected Rate of Return on Plan Asstes	refer note*	refer note*
Salary escalation rate	6%	6%

Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Attrition rate	refer note**	refer note**

Note

*Discounting rate in Special Steel Division is 6.65% (Previous year 7.19%) and in Engineering & Technologies and Electric Vehicle Division 6.89% (Previous year 7.21%)

**Attrition rate in Special Steel Division is 10% (Previous year 10%) and in Engineering & Technologies and Electric Vehicle Division 2% (Previous year 2%)

33.1 Gratuity

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

(a) **Funded Plan** (Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2023	14.65	(4.48)	10.17
Current service cost	0.91	-	0.91
Interest expense/(income)	1.06	(0.30)	0.76
Total amount recognized in Profit or Loss	1.97	(0.30)	1.67
Return on Plan Assets, Excluding Interest Income	-	(0.04)	(0.04)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.13	-	1.13
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.42	-	0.42
Total amount recognized in Other Comprehensive Income	1.55	(0.04)	1.51
Benefit paid directly by the Employer	(1.21)	-	(1.21)
March 31, 2024	16.96	(4.82)	12.14

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2024	16.96	(4.82)	12.14
Current service cost	1.24	-	1.24
Interest expense/(income)	1.20	(0.33)	0.87
Total amount recognized in Profit or Loss	2.44	(0.33)	2.11
Return on Plan Assets, Excluding Interest Income	-	(0.02)	(0.02)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.25	-	1.25
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.73	-	0.73
Total amount recognized in Other Comprehensive Income	1.98	(0.02)	1.96
Net Liability transferred out	(0.06)	-	(0.06)
Benefit paid directly by the Employer	(0.99)	-	(0.99)
March 31, 2025	20.33	(5.17)	15.16

Notes to Standalone Financial Statements for the year ended March 31, 2025

(Rs In Crore)

Categories of Assets	As at March 31, 2025	As at March 31, 2024
Life Insurance Corporation of India	2.24	2.08
HDFC Bank	2.93	2.74
Total	5.17	4.82

(b) Non-Funded Plan

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2023	10.75	-	10.75
Current service cost	1.03	-	1.03
Interest expense/(income)	0.79	-	0.79
Total amount recognized in Profit or Loss	1.82	-	1.82
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.59	-	0.59
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.14	-	0.14
Total amount recognized in Other Comprehensive Income	0.73	-	0.73
Benefit Paid Directly by the Employer	(1.25)	-	(1.25)
March 31, 2024	12.05	-	12.05

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2024	12.05	-	12.05
Current service cost	1.21	-	1.21
Interest expense/(income)	0.87	-	0.87
Total amount recognized in Profit or Loss	2.08	-	2.08
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.40	-	0.40
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.42	-	0.42
Total amount recognized in Other Comprehensive Income	0.82	-	0.82
Net Liability transferred in	0.06	-	0.06
Benefit Paid Directly by the Employer	(1.02)	-	(1.02)
March 31, 2025	13.99	-	13.99

Notes to Standalone Financial Statements for the year ended March 31, 2025

ii) The net liability disclosed above relates to plans are as follows: (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Funded Plan		
- Present value of funded obligation	20.33	16.96
- Fair value of plan assets	(5.17)	(4.82)
(Surplus) / Shortfall of funded plan	15.16	12.14
Unfunded Plan		
- Present value of funded obligation	13.99	12.05
- Fair value of plan assets	-	-
(Surplus) / Shortfall of unfunded plan	13.99	12.05
Company as a Whole		
- Present value of funded obligation	34.32	29.01
- Fair value of plan assets	(5.17)	(4.82)
(Surplus) / Shortfall of plan	29.15	24.19

iii) Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is: (Rs In Crore)

Assumption	Impact on defined benefit obligation	
	March 31, 2025	March 31, 2024
Discount rate		
1.0% increase	(2.47)	(2.08)
1.0% decrease	2.87	2.42
Future salary increase		
1.0% increase	2.49	2.18
1.0% decrease	(2.32)	(2.02)
Rate of Employee Turnover		
1.0% increase	0.17	0.22
1.0% decrease	(0.20)	(0.25)

- The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognised in the balance sheet.
- There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

Notes to Standalone Financial Statements for the year ended March 31, 2025

iv) Maturity Analysis of benefits payable

Projected benefits payable in future years from the date of reporting:

(Rs In Crore)

From the Fund	March 31, 2025	March 31, 2024
1st Following Year	3.50	2.60
2nd Following Year	0.67	0.88
3rd Following Year	1.35	1.00
4th Following Year	1.39	1.15
5th Following Year	0.84	1.24
Sum of Years 6 to 10	6.27	5.61
Sum of Years 11 and above	31.62	27.56

(Rs In Crore)

From the Employer	March 31, 2025	March 31, 2024
1st Following Year	1.95	1.68
2nd Following Year	1.38	1.24
3rd Following Year	1.55	1.23
4th Following Year	1.46	1.31
5th Following Year	1.39	1.31
Sum of Years 6 to 10	5.83	5.30
Sum of Years 11 and above	8.82	8.11

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

33.2 Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of assets.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The details related to gratuity is on the basis of the certificate issued by the actuarial valuer.

34 Segment Reporting

The segment report is given in consolidated financial statements.

Notes to Standalone Financial Statements for the year ended March 31, 2025

35 Earnings per Share (EPS)

i) Basic and diluted before exceptional item

Particulars		2024-25	2023-24
Profit for the Year	(Rs. In Crore)	321.82	319.43
Weighted Average No. of Shares for the Earning Per Share Computation for Basic and Diluted	(In Numbers)	1,27,42,814	1,27,42,814
Earnings Per Share (Basic & Diluted)	(In Rs.)	252.61	250.73
Nominal Value of Shares	(In Rs.)	10.00	10.00

ii) Basic and diluted after exceptional item

Particulars		2024-25	2023-24
Profit for the Year	(Rs. In Crore)	428.60	319.43
Weighted Average No. of Shares for the Earning Per Share Computation for Basic and Diluted	(In Numbers)	1,27,42,814	1,27,42,814
Earnings Per Share (Basic & Diluted)	(In Rs.)	336.42	250.73
Nominal Value of Shares	(In Rs.)	10.00	10.00

36 Default in repayment of loans, its settlement terms and Accounting Treatment

The information / details as provided in the Financial Statements are for the disclosure purpose only as per the applicable Ind Accounting Standards ("Ind AS") without prejudice to the rights of the Company and without any acknowledgement of the debts / liabilities of the Company under the applicable laws.

(i) Central Bank of India

The Company has defaulted in repayment of the loan and interest thereon taken from Central Bank of India in March 2012 of Rs. 436.13 Crore. The company on June 29, 2022 has accepted the compromise / One Time Settlement (OTS) letter of Central Bank of India dated June 28, 2022 for their outstanding loan/credit facility. As per the settlement terms and agreement, the company has paid the entire settlement amount along with interest there on. On compliance with the terms and conditions of the settlement with Central Bank of India and upon issuance of the 'No Due Letter' dated February 7, 2025, the Company has recognized a total reduction in debt amounting to Rs 211.13 Crore. Of this amount, Rs 158.83 Crore has been credited to the Capital Reserve and Rs 52.30 Crore has been recognized under Exceptional Items in the Statement of Profit and Loss.

(ii) Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank)

- The Company has defaulted in repayment of loan of Rs 183.96 Crore (after adjustment of repayment of Rs 10.05 Crore paid during the year ended as at March 31, 2020 and Rs.6 Crore paid during year ended as at March 31, 2024 as upfront payment towards commitment to settlement) (Principal of Rs. 183.95 Crore and Interest of Rs. 0.01 Crore) in August 2011. Indian Overseas Bank has assigned its debts to Rare Asset Reconstruction Limited on September 28, 2017. The Company is in the process of entering into a settlement agreement with Rare Asset Reconstruction Limited.
- The Company was informed vide letter dated October 12, 2017 of Indian Overseas Bank, that the bank has assigned debts to Rare Asset Reconstruction Limited. However considering pending settlement, the outstanding loan amount is treated as current maturities of long term borrowings.

(iii) Rare Asset Reconstruction Limited (being assignee of Debts of Dena Bank)

- The Company has defaulted in repayment of loan of Rs 51.44 Crore (Principal of Rs 51.44 Crore) in September 2011. The bank has assigned this loan to Rare Asset Reconstruction Limited. The Company has entered into a settlement agreement with Rare Asset Reconstruction Limited for the repayment of loan on June 28, 2018. As per the settlement agreement, the Company has agreed to repay the loan by March 15, 2022. The Company has again defaulted in repayment of loan of the instalment falling due from September 2021 till March 15, 2022 and interest. During the financial year ended March 31, 2025 the Company has paid the entire settled Principal amounts due to Rare Asset Reconstruction Limited. The Company had been in negotiations with the said lender regarding the outstanding interest amounting to Rs 5.69 crore. During the year ended March 31, 2025, the Company made a partial payment of Rs 2.50 crore towards this interest. Consequently, there is a default in payment of the remaining interest of Rs 3.19 crore, pertaining to the period from June 2022 to June 2024 and which had been subsequently fully paid by the Company.
- The repayment of debt to Rare Asset Reconstruction Limited, up to the balance sheet date of Rs. 28.00 Crore (March 31, 2024 is Rs. 23.00 Crore) has been adjusted against the total outstanding loan liability.
- If all the terms and conditions of the settlement are fully complied there will be reduction of debt by Rs. 23.44 Crore.

Notes to Standalone Financial Statements for the year ended March 31, 2025**(iv) Edelweiss Asset Reconstruction Company Limited (being debt assignee of Bank of India, Bank of Baroda, State Bank of India, Canara Bank and State Bank of Travancore)**

- (a) The Company has defaulted in repayment of the loan from Bank of India in December 2012 of Rs. 628.04 Crore (Principal of Rs. 628.04 Crore), Bank of Baroda in September 2012 of Rs. 31.23 Crore (Principal of Rs. 31.23 Crore), Canara Bank in September 2012 of Rs. 232.97 Crore (Principal of Rs. 190.18 Crore and Interest of Rs. 42.79 Crore), State Bank of India in December 2011 of Rs. 323.27 Crore (Principal of Rs. 323.27 Crore) and State Bank of Travancore in September 2011 of Rs. 91.98 Crore (Principal of Rs. 85.04 Crore and Interest of Rs. 6.94 Crore). All these loans were assigned to Edelweiss Asset Reconstruction Company Limited. The Company entered into a settlement agreement with Edelweiss Asset Reconstruction Company Limited on March 10, 2015. As per the settlement agreement, the Company had agreed to repay the loan by March 2023. However, the Company has again defaulted in repayment of the instalment of the loan falling due from December 2020 till March 2023 and interest thereupon. Based on the proposal of the Company, Edelweiss Asset Reconstruction Company Limited has approved the restructuring of the outstanding due on November 3, 2023, wherein the Company is required to pay total amount of Rs 391 Crore, through 28 installments (from August 31, 2023 to March 15, 2026) along with Interest @ 11% p.a. and default Interest @ 7% p.a. and to comply with other terms and conditions.

- (b) The Management is of the opinion that Fixed Deposit of Rs. 12.45 Crore appropriated by Bank of Baroda will be adjusted against the outstanding liability payable to Edelweiss Asset Reconstruction Company Limited, at the time of last installment.

The Company has filed a Special Civil Application ("SCA") before the Hon'ble Gujarat High Court to return back Rs. 12.45 crore to the Company's bank account which was adjusted against the outstanding loan. The said petition is admitted and is pending for further hearing.

- (c) The amount of repayment of debt to Edelweiss Asset Reconstruction Company Limited, up to the balance sheet date of Rs. 672.35 Crore (March 31, 2024 is Rs. 528.34 Crore) has been adjusted against the total outstanding loan liability.
- (d) If all the terms and conditions of settlement are fully complied upto March 2026, there will be reduction in debt by Rs. 403.55 Crore.

(v) Invent Assets Securitization and Reconstruction Private Limited (being assignee of debts of Oriental Bank of Commerce, Punjab National Bank and Allahabad Bank)

- (a) The Company has defaulted in repayment of the loan from Oriental Bank of Commerce in June 2012 of Rs. 55.19 Crore, Punjab National Bank in October 2011 of Rs. 184.69 Crore (Principal amount of Rs. 184.69 Crore) and Allahabad Bank in July 2012 of Rs. 283.62 Crore (Principal of Rs. 278.22 Crore and interest of Rs. 5.40 Crore). All these loans were assigned to Invent Assets Securitization and Reconstruction Private Limited ("Invent ARC"). The Company entered into a settlement terms with Invent ARC in August 2015 for debts of Oriental Bank of Commerce and in July 2016 for debts of Allahabad Bank and Punjab National Bank. On June 18, 2019, the settlement terms were revised where in the last date of repayment further extended up to June 2023 / December 2023. However, the Company has again defaulted in repayment of the instalment. Based on the request of the Company, Invent ARC has approved further revised repayment schedule on May 31, 2024 for the payment of outstanding settlement dues with interest @11% p.a.

- (b) As per the terms of settlement, the Company had paid the entire settlement amount of Rs. 18.50 Crores along with interest of Rs. 0.49 Crores for the debt originally owed to Oriental Bank of Commerce (now merged with Punjab National Bank) assigned to Invent ARC by March 31, 2025 and Invent ARC has issued No Due Certificate dated April 7, 2025. Upon compliance with all the terms and conditions of the settlement, a total reduction in debt amounting to Rs.36.69 Crores has been recognized. Of this, Rs 24.14 Crores has been credited to Capital Reserve, and Rs 12.55 Crores has been recognized under Exceptional Items in the Statement of Profit and Loss.

- (c) The amount of repayment of debt to Invent Assets Securitization and Reconstruction Private Limited (being assignee of debts of Punjab National Bank and Allahabad Bank), up to the balance sheet date of Rs. 77.06 Crore (March 31, 2024 is Rs. 59.06 Crore) has been adjusted against the total outstanding loan liability. If all the terms and conditions of the settlements are fully complied, there would be a reduction in debt by Rs. 288.32 Crore.

37 Details of cases of recovery / other proceedings by the Lenders**(a) Cases before Debts Recovery Tribunal (DRT):**

- (i) Central Bank of India has filed Original Application against the Company & its guarantors (Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari) before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide judgement dated October 9, 2018 allowed the original application filed by the Bank and issued recovery certificate against the Company and guarantors to the tune of Rs. 577.89 Crores and future interest on the amount due @10% p.a. with monthly

Notes to Standalone Financial Statements for the year ended March 31, 2025

rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties and for valuation of the said attached properties. Further as per the terms of settlement with Central Bank of India dated June 28, 2022, on payment of the settlement amount along with interest, Central Bank of India has issued No Due Letter dated February 7, 2025 and as no claims of Central Bank of India remains to be satisfied, the Hon'ble Recovery Officer has disposed / closed the recovery proceedings by order dated February 28, 2025.

- (ii) Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank) ("Rare ARC") had filed Original Application against the Company & its guarantors Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide judgment dated September 20, 2018 allowed the original application filed by the Bank / Financial Institution and issued recovery certificate against the Company and Guarantors to the tune of Rs. 315.64 Crore and future interest on the amount due @12.75% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. The Hon'ble Recovery Officer has passed order for release of Rs. 10 Crores from the account of company with Standard Chartered Bank to Rare ARC, sale of shares of the guarantors and payment of Rs. 0.05 Crores by Mr. Avinash Bhandari for non-disclosure of assets to be adjusted towards the dues. Further action / hearing is pending before Hon'ble Recovery Officer.
- (iii) In view of settlement / consent terms filed with DRT, the Original Application filed by Rare Asset Reconstruction Limited (being assignee of debts of Dena Bank) has been disposed on October 15, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT were being adjourned. Thereafter, the Demand Notice dated August 3, 2021 is issued by Recovery Officer and further action / hearing is pending before Hon'ble Recovery Officer.
- (iv) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Invent Assets Securitization and Reconstruction Private Limited (being assignee of debts of Allahabad Bank) has been disposed on March 21, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

(b) Willful Defaulter

- (i) Central Bank of India has declared the Company as a willful defaulter on May 29, 2014 for outstanding default amount of Rs. 436.13 Crores and reported the name of Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as willful defaulter.
- (ii) Dena Bank has declared the Company as a wilful defaulter on March 31, 2016 for outstanding amount of Rs. 51.44 Crores and reported the name of the Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as Wilful Defaulter. Rare Asset Reconstruction Limited (being assignee of debts of Dena Bank) has agreed to withdraw the name of the Company and its directors from the defaulter's list on receipt of entire settlement amount.

(c) Central Bureau of Investigation (CBI)

- (i) The Central Bureau of Investigation (CBI) has conducted certain proceedings, on the basis of the complaint filed by Central Bank of India with regard to the utilization of the loan disbursed by Central Bank of India. Central Bureau of Investigation has filed a charge sheet and a CBI Special Case was registered against the Company and its directors i.e. Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari and few officers of Central Bank of India before the Hon'ble CBI Court, Ahmedabad on October 6, 2015 and the matter was pending before the Hon'ble CBI Court for further proceedings. The Directorate of Enforcement, Ahmedabad has filed an application before the Hon'ble CBI Court, Ahmedabad for transfer of CBI Case to the designated court of Prevention of Money Laundering (PMLA). The Hon'ble CBI Court, Ahmedabad by order dated January 24, 2022 allowed the application and by further order dated March 29, 2022 disposed of the case for transfer to PMLA Court. The Principal District Court (PMLA Court) has registered the transferred case as ACB – Special Case No. 15/2022 and the case is now pending for opening by prosecution.
- (ii) Bank of India has filed a complaint dated December 29, 2021 under section 154(1) of the Criminal Procedure Code (Cr.P.C) pertaining to fraud perpetrated by the Company, its directors, unknown public servants and other unknown persons with intent to defraud Bank of India to the tune of Rs. 81.97 Crores, being the amount of difference between the outstanding amount of Rs. 631.97 Crores and assignment amount of Rs. 550 Crores. The Central Bureau of Investigation, Banking Securities Fraud Branch, Mumbai has registered a FIR on December 31, 2021. Central Bureau of Investigation (CBI) carried out the search on January 4, 2022 and seized various documents and now the matter is under investigation. The Company has filed a petition for quashing of FIR before Hon'ble Gujarat High Court in April 2024 and the Hon'ble Gujarat High Court by order dated April 26, 2024 issued notice and notice as to interim relief. The said petition is pending for further hearing.

Notes to Standalone Financial Statements for the year ended March 31, 2025

(d) Directorate of Enforcement (ED)

- (i) In view of the registration of the FIR by the Central Bureau of Investigation related to loan of Central Bank of India for scheduled offences, the Ahmedabad Zonal Office of the Directorate of Enforcement ("ED") has recorded a case under the provisions of the Prevention of Money Laundering Act, 2002 ("PMLA") and during the course of investigation, ED has passed an order dated March 28, 2018 under sub-section (1) of section 5 of the PMLA for provisional attachment of certain properties to the extent of Rs. 179.80 Crores comprising Land having total area of 4,90,621 square meter at Chhadavada and Samakhiyali of Steel Plant, Building and Plant & Machinery for a period of 180 days. Thereafter, a complaint under sub-section (5) of section 5 of the PMLA was filed by ED before the Adjudicating Authority, New Delhi and the Adjudicating Authority, New Delhi vide order dated September 5, 2018 confirmed the attachment of abovesaid properties. The Company has filed an appeal before the Hon'ble Appellate Tribunal, PMLA, New Delhi and the Hon'ble Appellate Tribunal, PMLA, New Delhi vide order dated December 10, 2018 passed an order for maintaining status quo and no coercive action by ED. The ED has filed its reply and the matter is adjourned for filing of rejoinder. The ED has filed an application for vacation of interim order. Edelweiss Asset Reconstruction Company Limited ("Edelweiss ARC"), a secured financial creditor has filed impleadment application in July 2023 to participate in the proceedings, which was allowed on July 9, 2024. Thereafter, the matter was adjourned from time to time for further hearing.
- (ii) The Assistant Director, Directorate of Enforcement, Ahmedabad has filed a Complaint Under Section 45 of the Prevention of Money Laundering Act, 2002 on December 1, 2018 before Principal District Judge, Ahmedabad against the company, Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari under section 3 and 4 of the PMLA related to loan of Central Bank of India. The charge has been framed by the Hon'ble Court and now it is pending at the stage of evidence of prosecution.
- (iii) On January 10, 2025, Directorate of Enforcement (ED), Zonal Office, Ahmedabad has conducted search at the corporate office & factory of the Company situated at Palodia and the residence of Mr. Shailesh Bhandari, Executive Vice Chairman & Promoter of the Company under the provisions of Prevention of Money Laundering Act, 2002 ("PMLA"). During the search, it was informed that the search is being carried out in relation to the registration of the FIR by the Central Bureau of Investigation related to loan of Bank of India for schedule offences and a Enforcement Case Information Report ("ECIR") has been registered by ED on March 31, 2022. ED has passed order under Section 17(1A) of the PMLA for (a) freezing of the balances lying in 39 bank accounts of the Company alongwith interest accrued thereon as on January 10, 2025 and interest accrued subsequently from January 10, 2025 onwards (b) freezing of balances lying in two personal bank accounts of Mr. Shailesh Bhandari, Executive Vice Chairman, alongwith interest accrued thereon as on January 11, 2025 and (iii) seized two cars found at the residence premises of Mr. Shailesh Bhandari, Executive Vice Chairman.
- The Company and Mr. Shailesh Bhandari, Executive Vice Chairman challenged the action of ED dated 10th / 11th January, 2025 before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court by interim order dated January 29, 2025, till the pendency of the said petitions, *inter alia*, permitted the Company and Mr. Shailesh Bhandari to operate the bank accounts in respect of the amount which is in excess of the amount freezed on January 10 / 11, 2025. Accordingly, an amount of Rs. 34.29 Crores in two bank accounts of the Company and an amount of Rs. 0.83 Crores in one bank account of Mr. Shailesh Bhandari has been lien marked in favour of ED and the said three accounts are being operated for the amount in excess of the lien marked amount and all other bank accounts have been unfreezed by ED. The said petitions are pending before Hon'ble Gujarat High Court for further hearing. ED has further removed the seizure of one car, being owned by third party and the application for use / release of second car is pending before Hon'ble Gujarat High Court.
- (iv) Based on the original application filed by Directorate of Enforcement (ED), Zonal Office, Ahmedabad before Ld. Adjudicating Authority, PMLA, New Delhi related to search conducted on January 10, 2025 and January 11, 2025 for loan of Bank of India, a show cause notice dated February 21, 2025 has been issued to the Company and Mr. Shailesh Bhandari for allowing the retention of frozen accounts and seized vehicle. The Company and Mr. Shailesh Bhandari filed their reply of the said original application and now it is pending for rejoinder and further hearing before the Ld. Adjudicating Authority, PMLA, New Delhi.
- (v) The Company and Mr. Shailesh Bhandari has filed a petition for quashing of Enforcement Case Information Report ("ECIR") registered by ED on March 31, 2022 related to loan of Bank of India before Hon'ble Gujarat High Court in March, 2025 and the Hon'ble Gujarat High Court by order dated March 28, 2025 issued notice to respondents. The said petition is pending for further hearing.

(e) Fraud Classification

- (i) The Company had filed a Special Civil Application ("SCA") against Central Bank of India and Reserve Bank of India for wrongfully declaring the account of the Company as fraud account on November 6, 2013 in breach of principles of natural justice. The said petition was dismissed by the Hon'ble Gujarat High Court. The Company has filed a Letters Patent Appeal (LPA) against the said order. The Hon'ble Gujarat High Court has issued Notice and notice as to interim relief. The Hon'ble Gujarat High Court by interim order dated June 21, 2023 stayed the fraud classification and order passed by Hon'ble single judge. In view of interim order passed by Hon'ble Gujarat High Court and request of the Company, Central Bank

Notes to Standalone Financial Statements for the year ended March 31, 2025

of India has removed fraud flagging in the account. The said appeal is pending for further hearing before the Hon'ble Gujarat High Court.

- (ii) The Company had filed a Special Civil Application ("SCA") against Bank of India in July 2023 for wrongfully declaring the account of the Company as fraud account on February 13, 2019 without any intimation and in breach of principles of natural justice. The Hon'ble Gujarat High Court by order dated November 30, 2023 quashed and set aside the action of classifying the account as fraud account and the matter was remitted to the bank leaving a liberty to take fresh steps in accordance with the principles laid down by Hon'ble Apex Court. Bank of India has given a show cause notice and copy of Forensic Audit Report to the Company to make representation / submission. The Company has made a detailed representation / reply. Bank of India has again reclassified the account as fraud by letter dated August 7, 2024. The Company has again filed Special Civil Application before Hon'ble Gujarat High Court against such reclassification of fraud account and the Hon'ble Gujarat High Court by way of ad-interim relief dated September 24, 2024, passed order for no coercive action. The said petition is pending for further hearing.
- (iii) The Company had filed a Special Civil Application ("SCA") against Canara Bank (erstwhile Syndicate Bank) in December 2023 for wrongfully declaring the account of the Company as fraud account on May 4, 2018 without any intimation, in breach of principles of natural justice and despite that the Company has repaid the settled loan amount and have received No Due Certificate from the bank on May 27, 2019. The Hon'ble Gujarat High Court has issued notice on December 11, 2023 and now petition is pending for further hearing.
- (iv) The Company had filed a Special Civil Application ("SCA") against ICICI Bank and Reserve Bank of India in April 2024 for wrongfully declaring the account of the Company as fraud account without any intimation, in breach of principles of natural justice and despite that the Company has repaid the settled loan amount and have received No Due Certificate from the bank on July 4, 2016. The Hon'ble Gujarat High Court has issued notice on April 18, 2024 and ICICI Bank has filed reply and now petition is pending for further hearing.

(f) Case under section 138 of the Negotiable Instruments Act, 1881:

Indian Overseas Bank had filed two criminal complaints against the Company and its directors / officers under section 138 of Negotiable Instruments Act, 1881 for dishonor of cheques of Rs. 103.00 Crore issued by the Company and the Company is contesting both the said cases and both the matters are pending for further proceedings before the respective Hon'ble Metropolitan Magistrates, Ahmedabad.

38 Non Provision of Interest

The Indian Overseas Bank had classified the loan account of the Company as non-performing assets during August 2011, which was subsequently assigned to Rare Assets Reconstruction Limited ("Rare ARC"), but with whom the settlement terms have not been entered into. Further, the Hon'ble Debt Recovery Tribunal (DRT), Ahmedabad has passed judgment against Company for recovery along with future interest on the amount due @12.75% p.a. with monthly rests. As per the details available with the Company, the amount of unprovided interest, on approximate basis, on the said loan is as under:-

(Rs in Crore)

Particular	Upto March 31 2024	From April 1, 2024 to March 31, 2025	Reduction in the Interest	Upto March 31, 2025
Interest on Corporate Loan and working Capital Loan	784.72	131.80	-	916.51

39 Additional Disclosure

- (a) The cost of material consumed includes freight, loading and unloading expenses, inspection fees, commission on purchase, taxes & duties (to the extent of credit not available), rate difference and interest cost on purchase of raw material and ancillary expenses thereof (including reversal of any claim).
- (b) Few accounts of "Trade Receivables", "Trade payables", "Advances from Customer", "Advances Recoverable In Cash or Kind", "Advance to Suppliers and Other Parties" including very old balances are subject to confirmation/ reconciliation/ supporting documents and includes very old non-moving items therefore are subject to necessary adjustments for accounting or re-grouping / classification.
- (c) Account of Receivables / Payables in respect of Goods and Service Tax, Service Tax, CENVAT, and Vat are subject to reconciliation, submission of its return for its claim and/or its Audit/ Assessment/Settlement/ Payment, if any.
- (d) The classification / grouping of items of the accounts are made by the management, based on the available data with the Company.
- (e) On account of technicalities involved, the claim of Merchandise Exports from India ("MEIS") will be accounted for as and when the claim will be admissible with the respective authority.

Notes to Standalone Financial Statements for the year ended March 31, 2025

- (f) During the year ended as at March 31, 2022 the business activity of Transmission Line Tower division (TLT) was temporarily suspended in order to evaluate its further business viability. However, till March 31 2025 the operation of the TLT division has not commenced. The management is of the opinion that the carrying value of the Inventory, Property Plant and Equipment and Trade receivables represent net realizable value and therefore no provision for impairment/write off is required to be made.
- (g) During the year, the Company has written off bad debts amounting to Rs.92.86 Crore pertaining to trade receivables from customers, primarily due to disputes, inability to pay, or settlements/recoveries that resulted in partial or no payment. Majority of the Trade Receivable balances had been previously provided for under the Expected Credit Loss (ECL) model, and the corresponding ECL provisions have been reversed during the year.
- (h) Audit Log: The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, where audit trail (edit log) facility was enabled, no instance of the audit trail feature being tampered with.
- (i) **Hedging activity**

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk. Following are the Derivative instruments at year end not designated as hedging instrument:

(in Crore)

Particular	March 31, 2025		March 31, 2024		Purpose
	Amount	Foreign Currency	Amount	Foreign Currency	
Forward Contracts (USD Sales)	-	-	12.04	0.15	Hedging of Foreign Currency Sales

- (j) Pursuant to compliance with all the terms and conditions of the Settlement Agreement, and upon receipt of No Dues Certificates and confirmations from the respective Banks and Asset Reconstruction Companies (ARCs), the Company is no longer liable to pay interest amounting to Rs.106.78 Crore. Accordingly, the said amount has been recognized as income under 'Exceptional Items' in the Statement of Profit and Loss. The break-up of the amount waived, Bank/ARC-wise, is as under:

Particular	Amounts (In Crore)
Central Bank of India- On account of Settlement	52.30
Invent Assets Securitization and Reconstruction Private Limited(Assignee of OBC)- On account of settlement	12.55
Invent Assets Securitization and Reconstruction Private Limited(Assignee of OBC,PNB and Allahabad Bank)*	41.93
Total Amounts	106.78

*Pursuant to the revised reschedulement agreement dated May 31, 2024, entered into with Invent Assets Securitization and Reconstruction Private Limited (assignee of Oriental Bank of Commerce, now merged with Punjab National Bank, Allahabad Bank and Punjab National Bank), and based on the balance confirmation received from Invent ARC, an amount of Rs 41.93 Crores towards unpaid interest for the period from September 2020 till March 2024 has been recognized as Income under Exceptional Items in the Statement of Profit and Loss for the year ended March 31, 2025.

40 Director's Remuneration

Mr. Suraj Bhandari was re-appointed as a Whole-time Director for a period of three years w.e.f. November 13, 2022 to November 12, 2025 at a remuneration of Rs. 1,50,000/- per month as approved by the shareholders of the Company at 36th Annual General Meeting held on August 31, 2022. Mr. Shailesh Bhandari was re-appointed as a Managing Director for a period of three years w.e.f. February 1, 2023 to January 31, 2026 at a remuneration of Rs. 2,00,000/- per month as approved by the shareholders of the Company through Postal Ballot on March 28, 2023. Further, Mr. Shailesh Bhandari, Managing Director was re-designated as Executive Vice Chairman and Mr. Suraj Bhandari was elevated and re-designated as a Managing Director with effect from February 9, 2024 with same terms & conditions of remuneration and the shareholders of the Company have also approved the same through Postal Ballot on March 19, 2024.

This remuneration to both the Directors are subject to approval from banks and financial institutions as the Company has defaulted in repayment of loans. In absence of such approval, no remuneration was paid to Mr. Shailesh Bhandari and Mr. Suraj Bhandari during the financial year.

Notes to Standalone Financial Statements for the year ended March 31, 2025

41 Other Legal Cases

- (a) Some of the creditors have filed cases of recovery against the company before the various Civil Courts / Commercial Courts for Rs 3.76 Crore (As at March 31, 2024 Rs 3.76 Crore). The said amounts are excluding interest.
- (b) Some of the suppliers have filed complaints against the Company and its directors / officers under Section 138 of Negotiable Instruments Act, 1881 for dishonor of cheques of Rs. 67.42 Crore (As at March 31, 2024 Rs. 66.17 Crore) issued by the Company and the Company and its directors / officers are contesting the said cases and the same are pending before respective courts.
- (c) The Company has filed recovery case against Victory Rich Trading Limited ("VRTL") & its director for non-payment of amount in the High Court of Hong Kong and the High Court of Hong Kong has passed judgment for payment of recovery amount. Thereafter, VRTL has challenged the said order and the same was pending before the High Court of Hong Kong for further proceedings. As per the enquiry from High Court of Hong Kong, the cases have already been concluded with no written judgement given. Further the Company has filed a winding up petition against VRTL before the High Court of Hong Kong and the High Court of Hong Kong has passed the order for winding up of VRTL. However, in absence of any assets in the name of VRTL, the liquidator has applied for release as liquidator and the dissolution of VRTL.
- (d) Mr. Siddharth Bhandari, one of the Promoter group and erstwhile Whole-time Director and Dr. Rakesh Bhandari, one of the Promoter group of the Company ("Petitioners") has filed two separate petitions (CP No. 93 / 2018 and CP No. 94 / 2018) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 149, 150, 152, 159 and 176 of the Companies Act, 2013 *inter alia*, for declaring the appointment of four independent directors as null and void from their respective dates of appointment being violative of provisions of section 149 and 150 and other related provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014. The interim order dated May 4, 2021 passed by the Hon'ble NCLT, Ahmedabad for joint signature of Mr. Siddharth Bhandari in bank accounts, policy decisions affecting smooth running of company as a going concern etc. was challenged by Mr. Shailesh Bhandari & Company before Hon'ble NCLAT and thereafter, before Hon'ble Supreme Court of India. After granting stay on joint signature in bank accounts by the Hon'ble NCLAT and Hon'ble Supreme Court of India, the appeals were finally disposed off. Therefore, there was joint signature of Mr. Siddharth Bhandari in bank accounts during the interregnum period during the financial year 2022-23. The CP No. 93 / 2018 and CP No. 94 / 2018 was finally heard by the Hon'ble NCLT, Ahmedabad and the said petitions were disposed of on January 11, 2023 as not maintainable and vacated all interim orders. The Petitioners have challenged the order dated January 11, 2023 before the Hon'ble NCLAT and on August 23, 2024, the Appellants have withdrawn the appeals from the Hon'ble NCLAT.
- (e) Mr. Siddharth Bhandari, Mr. Mukesh Bhandari and Dr. Rakesh Bhandari ("Petitioners") has filed a petition (CP No. 5/2022) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013 against the Company, Mr. Shailesh Bhandari & Others. The Hon'ble NCLT has issued notice to respondents and directed to file reply on interim relief and maintainability. The Company has filed its reply on interim relief and maintainability.

During the pendency of this petition, the Petitioners have filed an Interlocutory Application No. 55 / 2022 in CP No. 5 / 2022 to restrain the Company from holding Board Meeting dated August 2, 2022 and stay some of the agenda items. The Hon'ble NCLT, Ahmedabad by order dated August 24, 2022 not granted any stay and rejected the application as misconceived and not maintainable. The Petitioners have challenged the order dated August 24, 2022 before the Hon'ble NCLAT and the Hon'ble NCLAT by order dated November 29, 2022 dismissed the appeal. The Petitioners have challenged the order dated November 29, 2022 before the Hon'ble Supreme Court of India and the civil appeal is pending for hearing before the Hon'ble Supreme Court of India.

The Petitioners have also filed an Interlocutory Application No. 5 / 2024 in CP No. 5 / 2022 for various reliefs including joint signature in bank accounts. The Hon'ble NCLT, Ahmedabad by order dated March 19, 2024 dismissed the application. The Petitioners have also filed an Interlocutory Application No. 82 / 2024 for various relief to access the company premises and books of accounts etc. The Petitioners have also filed an Interlocutory Application No. 91 / 2024 for various relief including to maintain status quo of board of directors etc. The Hon'ble NCLT, Ahmedabad by order dated September 12, 2024 dismissed the application. The Petitioners have filed appeal before Hon'ble NCLAT against order dated September 12, 2024, however the same was disposed of on October 23, 2024 with direction to Ld. NCLT to dispose of main petition expeditiously, preferably within 8 weeks after decision on maintainability.

The Hon'ble NCLT by order dated October 25, 2024 dismissed CP No. 5 / 2022 as not maintainable alongwith pending Interlocutory Application.

- (f) Ministry of Corporate Affairs, Office of the Regional Director, North-Western Region, Ahmedabad has in October, 2018 initiated inspection of books of accounts and other records under section 206(5) of the Companies Act, 2013. Thereafter, the Regional Director has issued letter for violations / irregularities of the Companies Act, 1956 / 2013 and the Company has replied to the same. Based on the same, the Registrar of Companies, Gujarat has issued letter for violations of Section 128(1), 129(1), 129(5), 133 read with Schedule III of the provisions of the Companies Act, 2013 and initiated prosecution against Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari, Mr. Siddharth Bhandari, Managing Directors / Whole-time Director &

Notes to Standalone Financial Statements for the year ended March 31, 2025

Late Mr. Pawan Gaur, Chief Financial Officer of the Company. Mr. Shailesh Bhandari, Mr. Avinash Bhandari & Late Mr. Pawan Gaur have challenged the said prosecution before the Hon'ble Gujarat High Court under section 463 of the Companies Act, 2013 and on October 29, 2024, the Hon'ble Gujarat High Court granted ad-interim relief of stay on the prosecution. The said petition is pending for hearing before the Hon'ble Gujarat High Court.

Further the office of Regional Director vide letter / order dated December 24, 2019 informed the Company about investigation into the affairs of the Company under section 210(1)(c) of the Companies Act, 2013. Thereafter, the Company was directed to furnish documents / information and the Company has challenged the said investigation before the Hon'ble Gujarat High Court. As the petition was rejected by the Hon'ble Gujarat High Court, the Company has challenged the same before division bench by filing Letters Patent Appeal and the division bench of the Hon'ble Gujarat High Court has passed order for continuation of investigation and that if the report recommends closure of the proceedings, no further orders may be necessary, however, if the report recommends some coercive measures to be taken, then the Central Government or the competent authority may not take any such decision without leave of the Court. The Letters Patent Appeal is pending awaiting the appropriate report of investigation under Section 210 of the Companies Act, 2013.

Further with regard to the two prosecutions filed by Registrar of Companies, Gujarat against Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari, Mr. Siddharth Bhandari, Managing Directors / Whole-time Director & Late Mr. Pawan Gaur, Chief Financial Officer and Mr. Fageshkumar Soni, Company Secretary of the Company under section 447 – 448 of the Companies Act, 2013 for failing to furnish material facts related to related party transactions for the financial year 2017 and 2018, Mr. Shailesh Bhandari, Mr. Avinash Bhandari & Mr. Fageshkumar Soni challenged the said prosecution before Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court by order dated December 12, 2024 and February 17, 2025 granted interim relief of stay on the said two prosecutions qua the applicants. The said petitions are pending for further hearing before the Hon'ble Gujarat High Court.

- (g) Mr. Babu Devraj Badhiya has filed a Writ Petition in the nature of Public Interest Litigation (PIL) on February 4, 2019 before the Hon'ble Gujarat High Court with prayer for direction for compliance of various approvals / permissions issued by various authorities for the Samakhiyali Plant, Kutch, Gujarat. The Hon'ble Gujarat High Court has passed order for not to carry out any further construction / development and the matter is pending before the Hon'ble Gujarat High Court.

Note: The financial implication of all this case is not ascertainable at this point of time.

42 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with the Companies which are struck off.
- (iii) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (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
- (vi) The Company has not received any fund from any person(s) or entity(ies), 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,
- (vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company is in compliance with the number of layers prescribed under clause (87) of Section -2 of the Companies Act 2013 with Companies (Restriction of number of Layers) Rules, 2017.

Notes to Standalone Financial Statements for the year ended March 31, 2025

43 Family Settlement Agreement ("FSA")

Mr. Mukesh Bhandari, Promoter & his family members and Mr. Shailesh Bhandari, Promoter & Executive Vice Chairman & his family members vide letter dated March 29, 2025 ("Bhandari Family Letter") informed the Company about execution of Family Settlement Agreement ("FSA") amongst the Bhandari Family. Pursuant to the realignment under the FSA: (a) the management rights and control over the Electrotherm (India) Limited ("EIL" / 'Company') and all of its respective subsidiaries and joint venture company, will be realignment in the manner contemplated under the FSA and shall continue to be with Mr. Shailesh Bhandari. Mr. Mukesh Bhandari & his family members will exit from the Company including its respective subsidiaries and joint venture companies by transferring shares to Mr. Shailesh Bhandari and tendering the resignation in the concerned companies; (b) To realign/transfer/release/forgo certain individual properties, rights thereof and shareholdings in the various companies as prescribed in FSA; (c) The equity shares of EIL held by Mr. Mukesh Bhandari will be transferred to Mr. Shailesh Bhandari, upon fulfilment of certain obligations by Mr. Shailesh Bhandari, as contemplated in the FSA; (d) The equity shares of EIL held by Mrs. Jyoti Bhandari will be transferred to Mrs. Reema Bhandari, by way of gift; (f) After completion of actual transfer of shares of Mr. Mukesh Bhandari to Mr. Shailesh Bhandari, Mr. Mukesh Bhandari and his family members will make application(s) / request(s) for reclassification of their status from 'Promoter / Promoter Group' to 'Public' category; (g) Further, the equity share of subsidiaries or joint venture company of EIL, held by Mr. Mukesh Bhandari and his family members, whether singly or jointly, for and on behalf of EIL, will be transferred in the name of such other person(s) or Mr. Shailesh Bhandari (h) Further, shareholding of Mukesh Bhandari Family in such companies controlled by 'Shailesh Bhandari Family' shall be transferred to Mr. Shailesh Bhandari. (i) Mr. Mukesh Bhandari and Mr. Shailesh Bhandari will indemnify each other against any claims, liabilities etc. in respect of personal guarantee given by them for availing the credit facilities by their respective companies; (j) Both parties will immediately take appropriate steps to file for consent quashing / withdrawal of any proceedings / cases with the regard to respective legal proceedings initiated by parties against each other as well as against the Company. Further the company is not a party to the family settlement agreement.

44 Related Party Disclosure

As required by Indian Accounting Standard-24 "RELATED PARTY DISCLOSURE", the disclosure of transaction with related parties are given below:

A. List of Related Parties

Particulars	Principal Place of Business / Country of Incorporation	% of Holding as at March 31, 2025	% of Holding as at March 31, 2024
(i) SUBSIDIARY COMPANIES			
- Jinhua Indus Enterprises Limited	China	100.00	100.00
- Jinhua Jahari Enterprises Limited (Step down subsidiary) [#]	China	-	-
- ET Elec-Trans Limited ^{**}	India	-	80.49
- Hans Ispat Limited	India	100.00	100.00
- Shree Ram Electro Cast Limited [*]	India	95.00	95.00
- Electrotherm Services Limited	India	100.00	100.00
(ii) JOINT VENTURE COMPANY			
- Bhaskarpara Coal Company Limited	India	52.63	52.63

[#] 100% holding by Jinhua Indus Enterprises Limited

^{*} 5% shares of Shree Ram Electro Cast Limited are held by Electrotherm Services Limited

^{**} ET Elec-Trans Limited ceases to be subsidiary w.e.f. November 13, 2024.

Method of Accounting: Investment in subsidiary and joint venture is at cost net of impairment

(iii) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives (with whom transaction have taken place)

- EIL Software Services Offshore Private Limited
- Etain Electric Vehicles Limited
- Prandev Tech Limited (Formerly Known as Electrotherm Tech Limited)
- ETAIN Renewables Limited
- Bhandari Charitable Trust
- Alwar Trading and Investment Company
- Sun Residency Private Limited
- House of Amit Zaveri (OPC) Private Limited

Notes to Standalone Financial Statements for the year ended March 31, 2025

(iv) Key Managerial Personnel / Director

- Mr. Shailesh Bhandari	(Executive Vice Chairman)
- Mr. Suraj Bhandari	(Managing Director)
- Mr. Tushar Jani	(Additional Director & Whole Time Director) (w.e.f. April 10, 2025)
- Mr. Fageshkumar R. Soni	(Company Secretary)
- Mr. Harish Mukati	(Chief Executive Officer-Steel Division) (w.e.f. November 14, 2024)
- Mr. Amit Kumar Patwarika	(Chief Financial Officer) (w.e.f. February 11, 2025)
- Mr. Jigar Shah	(Company Secretary)(resigned w.e.f. January 30, 2024)
- Mr. Chirag Shah	(Chief Financial Officer) (resigned w.e.f. April 12, 2024)

(v) Non-Executive / Independent Directors

- Mr. Dinesh Shankarlal Mukati	(Independent Director & Non-Executive Chairman)
- Ms. Nivedita Ravindra Sarda	(Independent Director)
- Mr. Pratap Mohan	(Independent Director)
- Mr. Mukesh Bhandari	(Non-Executive Director)(ceased w.e.f. September 12, 2024)

(vi) Relatives of Key Managerial Personnel (with whom transaction have taken place)

- Mr. Rakesh Bhandari	(Brother of Director)
- Mrs. Jyoti Bhandari	(Wife of Mr. Mukesh Bhandari)
- Mr. Mukesh Bhandari	(Brother of Executive Vice Chairman) (w.e.f. September 12, 2024)

B. Related Parties Transaction as identified by the Company from its records

(Rs in crore)

Particulars	Year ended as on March 31, 2025	Year ended as on March 31, 2024
Purchase		
House of Amit Zaveri (OPC) Private Limited	18.91	-
Sales		
House of Amit Zaveri (OPC) Private Limited	16.64	-
Contract Wages		
Electrotherm Services Limited	-	0.01
Rent Expenses		
Mr Shailesh Bhandari	0.11	0.05
Alwar Trading & Investment Company	0.09	-
Sun Residency Private Limited	0.04	-
Provision for Doubtful Debt/ Expected Credit Loss Reversed		
Hans Ispat Ltd.	27.39	-
ET Elec-Trans Ltd.	0.51	-
Impairment in Investment Reversed		
ET Elec-Trans Ltd.	0.72	-
Bad Debts Written off		
Hans Ispat Ltd.	27.39	-
ET Elec-Trans Ltd.	0.51	-
Loan/Advance Given / Repaid		
Shree Ram Electrocast Limited	0.00	0.00
Hans Ispat Ltd.	0.09	0.67
Interest Expenses on Lease Liability		
Mr. Shailesh Bhandari	-	0.00
Mr. Mukesh Bhandari	-	0.01
Salary		
Mr Jigar Shah	-	0.14

Notes to Standalone Financial Statements for the year ended March 31, 2025

(Rs in crore)

Particulars	Year ended as on March 31, 2025	Year ended as on March 31, 2024
Mr. Fageshkumr R. Soni	0.22	0.04
Mr. Chirag Shah	0.02	0.23
Mr. Amit Kumar Patwarika	0.05	-
Mr. Harish Mukati	0.26	-
Director Sitting Fees		
Mr. Dinesh Shankarlal Mukati	0.08	0.08
Ms. Nivedita Ravindra Sarda	0.07	0.07
Mr. Pratap Mohan	0.08	0.08

Note:

The Remuneration to the key managerial personnel does not include the Provision made for gratuity and leave encashment, as it is determined on an accrual basis for the Company as a whole.

Terms and conditions of transactions with related parties:-

Outstanding balance at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related party receivables or payables. The cumulative amount of the impairment on investment in subsidiaries and joint venture of as on March 31, 2025 is Rs 38.59 Crore (March 31, 2024 Rs 39.31 Crore) and provision for doubtful debt of receivable/advance relating to related parties is Rs. 67.42 Crore (March 31, 2024 of Rs. 95.32 Crore). The assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

C. BALANCES AS AT YEAR ENDED

(Rs. In Crore)

TRADE RECEIVABLE	As at 31.03.2025	As at 31.03.2024
- Prandev Tech Limited(Formerly Known as Electrotherm Tech Limited)	3.46	3.46
- ETAIN Electric Vehicles Limited	1.76	1.76
- ETAIN Renewables Limited	2.26	2.26
- Bhandari Charitable Trust	2.20	2.20
- Hans Ispat Limited	-	27.39
- ET Elec-Trans Limited	-	0.51
Total	9.68	37.58

(Rs. In Crore)

TRADE PAYABLE	As at 31.03.2025	As at 31.03.2024
- ETAIN Renewables Limited	-	0.00
- Mr. Shailesh Bhandari	0.01	0.06
- Electrotherm Services Limited	0.02	0.02
- Mr. Chirag Shah	-	0.01
- Mr. Fageshkumr R. Soni	0.01	0.01
- Alwar Trading & Investment Company	0.47	-
- Sun Residency Private Limited	0.16	-
- House of Amit Zaveri (OPC) Private Limited	13.31	-
- Mr. Amit Kumar Patwarika	0.02	-
- Mr. Harish Mukati	0.06	-
Total	14.06	0.10

(Rs. In Crore)

LOAN	As at 31.03.2025	As at 31.03.2024
- Electrotherm Services Limited	4.18	4.18
Total	4.18	4.18

Notes to Standalone Financial Statements for the year ended March 31, 2025

(Rs. In Crore)

Other Assets	As at 31.03.2025	As at 31.03.2024
- Etain Electric Vehicles Ltd	0.01	0.01
- Etain Renewables Ltd	0.04	0.05
- Prandev Tech Limited(Formerly Known as Electrotherm Tech Limited)	0.09	0.09
- Jinhua Indus Enterprise Limited	0.95	0.95
- Shree Ram Electrocast Limited	1.79	1.79
- Hans Ispat Limited	64.00	63.91
Total	66.88	66.80

(Rs. In Crore)

Short Term Borrowings	As at 31.03.2025	As at 31.03.2024
- Mr. Mukesh Bhandari	0.24	0.24
- EIL Software Services Offshore Private Limited	1.75	1.75
- Mrs. Jyoti Bhandari	0.15	0.15
- Mr. Rakesh Bhandari	0.02	0.02
Total	2.16	2.16

(Rs. In Crore)

Lease Liabilities	As at 31.03.2025	As at 31.03.2024
- Mr. Shailesh Bhandari	0.15	0.15
- Mr. Mukesh Bhandari	0.26	0.26
- Mrs. Jyoti Bhandari	0.05	0.05
- Alwar Trading & Investment Company	0.22	-
- Sun Residency Private Limited	0.15	-
Total	0.83	0.46

(Rs. In Crore)

Other Liabilities	As at 31.03.2025	As at 31.03.2024
- ETAIN Renewables Limited	-	0.01
- House of Amit Zaveri (OPC) Private Limited	0.07	-
Total	0.07	0.01

(Rs. In Crore)

Impariment / Provision	As at 31.03.2025	As at 31.03.2024
- ET Elec-Trans Limited - (Trade Receivable)	-	0.51
- Hans Ispat Limited - (Trade Receivables)	-	27.39
- Electrotherm Services Limited - (Loan)	4.18	4.18
- Bhaskarpara Coal Company Limited - (Investment)	2.13	2.13
- ET Elec-Trans Limited - (Investment)	-	0.72
- Hans Ispat Limited - (Investment)	36.46	36.46
- Hans Ispat Limited - (Advances)	63.24	63.24
Total	106.01	134.63

Notes to Standalone Financial Statements for the year ended March 31, 2025

45 Financial Instruments, Fair Value Measurements, Financial Risks & Capital Management

45.1 Category wise Classification of Financial Instruments

(Rs In Crore)

Particulars	March 31, 2025		
	FVPL	Amortized cost	Carrying Value
Financial assets			
Trade receivables	-	245.84	245.84
Cash and Cash Equivalents	-	8.79	8.79
Other Bank balances	-	63.04	63.04
Investments in mutual fund units	0.76	-	0.76
Investments in Unquoted Equity of Joint Venture & Subsidiary Companies net of Accumulated Impairment & Other Investments	-	9.32	9.32
Other financial assets	-	32.08	32.08
Total financial assets	0.76	359.07	359.83
Financial liabilities			
Trade payables	-	457.76	457.76
Borrowing	-	1,207.71	1,207.71
Preference shares	-	12.00	12.00
Lease Liability	-	3.85	3.85
Other financial liabilities	-	13.16	13.16
Total financial liabilities	-	1,694.48	1,694.48

(Rs In Crore)

Particulars	March 31, 2024		
	FVPL	Amortized cost	Carrying Value
Financial assets			
Trade receivables	-	212.80	212.80
Cash and Cash Equivalents	-	54.88	54.88
Other Bank balances	-	7.03	7.03
Investments in mutual fund units	0.72	-	0.72
Investments in Unquoted Equity of Joint Venture & Subsidiary Companies net of Accumulated Impairment & Other Investments	-	9.32	9.32
Other financial assets	-	34.76	34.76
Total financial assets	0.72	318.79	319.51
Financial liabilities			
Trade payables	-	426.16	426.16
Borrowing	-	1,661.04	1,661.04
Preference Shares	-	12.00	12.00
Lease Liability	-	1.03	1.03
Other financial liabilities	-	72.44	72.44
Total financial liabilities	-	2,172.67	2,172.67

Notes to Standalone Financial Statements for the year ended March 31, 2025**45.2 Category-wise Classification of Financial Instruments****i) Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements: (Rs In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investments in quoted mutual fund					
As at March 31, 2025	5	0.76	-	-	0.76
As at March 31, 2024	5	0.72	-	-	0.72

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

ii) Valuation technique used to determine fair value

Financial instruments are initially recognized and subsequently re-measured at fair value as described below :

- The fair value of investment in quoted Mutual Funds is measured at quoted price or NAV.

iii) Valuation process

The Company obtains valuation results from external/internal valuers for level 2 measurements. Inputs to level 2 measurements are verified by the Company's treasury department.

iv) Fair value of financial assets and liabilities measured at amortized cost

The management assessed that cash and cash equivalents, Bank Balance other than cash and cash equivalents, trade receivables, trade payables, investments in unquoted equity of joint venture / subsidiary company and government securities, other financial assets, short term borrowings, non current borrowings and other current financial liabilities approximate their carrying amounts.

46 Financial Instrument Risk, Management, Objectives & Policies**46.1 Financial risk management**

The management of the Company has implemented a risk management system that is monitored by the Board of Directors. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims at identifying, analyzing, managing, controlling and communicating risks promptly throughout the Company. Risk management reporting is a continuous process and part of regular company reporting.

The Company is exposed to credit, liquidity and market risks (interest rate risk, foreign currency risk and other price risk) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements.

46.2 Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. The balances with banks and security deposits are subject to low credit risk since the counterparty has strong capacity to meet the obligations and where the risk of default is negligible or nil.

Notes to Standalone Financial Statements for the year ended March 31, 2025

Trade receivables, Loans and Advances to Suppliers & Others

Credit risk arises from the possibility that customer / borrowers will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers and the borrowers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information.

The provision on trade receivables for expected credit loss is recognized on the basis of life-time expected credit losses (simplified approach). Trade receivables are evaluated separately for balances towards progress billings and retention money due from customers. An expected loss rate is calculated at each year-end, based on combination of rate of default and rate of delay. The Company considers the rate of default and delay upon initial recognition of asset, based on the past experience and forward-looking information, wherever available. The provision on loans for expected credit loss is recognized on the basis of 12-month expected credit losses and assessed for significant increase in the credit risk.

Concentrations of Credit Risk form part of Credit Risk

During the year ended March 31, 2025, Sales to a Customer of Rs 574.76 Crore (or 13.97 % of Net revenue) and during the year ended March 2024 ,sales to such customer 479.13 Crore(or 11.22% of net revenue).Account receivable from such customer Rs.Nil (or 0% total receivalbes)at March 31, 2025 and Rs.Nil (or 0% total receivalbes)at March 31 , 2024.A loss of this customer could significantly affect the operating results or cash flows of the Company

Allowance for expected credit loss / doubtful receivables :

i) As at March 31, 2025

(Rs In Crore)

Particulars	Trade Receivables	Loans	Advances to Suppliers & Others	Total
Gross carrying amount	300.64	4.18	201.74	506.56
Credit loss rate	18.23%	100.00%	40.29%	27.69%
Expected Credit Loss / Doubtful Receivable	54.80	4.18	81.29	140.27
Carrying amount	245.84	-	120.45	366.29

ii) As At March 31, 2024

(Rs In Crore)

Particulars	Trade Receivables	Loans	Advances to Suppliers & Others	Total
Gross carrying amount	352.49	4.18	210.57	567.24
Credit loss rate	39.63%	100.00%	38.60%	39.69%
Expected Credit Loss / Doubtful Receivable	139.69	4.18	81.29	225.16
Carrying amount	212.80	-	129.28	342.08

iii) Reconciliation of expected credit loss / doubtful receivable

(Rs In Crore)

Particulars	Trade Receivables	Loans	Advances to Suppliers & Others	Total
Loss allowance as on April 1, 2023	(128.68)	(4.18)	(81.29)	(214.15)
Changes in loss allowance	(11.01)	-	-	(11.01)
Loss allowance as on March 31, 2024	(139.69)	(4.18)	(81.29)	(225.16)
Changes in loss allowance	84.89	-	-	84.89
Loss allowance as on March 31, 2025	(54.80)	(4.18)	(81.29)	(140.27)

46.3 Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. Liquidity crises has led to default in repayment of principal and interest to lenders however the Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is used for the repayment of loan, invested in interest bearing term deposits and mutual funds with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Notes to Standalone Financial Statements for the year ended March 31, 2025

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Maturities of financial liabilities

The table below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

As at March 31, 2025

(Rs In Crore)

Particulars	Payable Upto 31.03.2026	01.04.2026 to 31.03.2029
Trade Payables	457.76	-
Borrowings	854.45	353.26
Lease liability	1.87	1.98
Preference Shares	12.00	-
Other Financial liabilities	13.16	-
Total	1,339.24	355.24

As at March 31, 2024

(Rs In Crore)

Particulars	Payable Upto 31.03.2025	01.04.2025 to 31.03.2028
Trade Payables	426.16	-
Borrowings	1,054.49	606.55
Lease liability	1.03	-
Preference Shares	12.00	-
Other Financial liabilities	72.44	-
Total	1,566.12	606.55

46.4 Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk includes borrowings, deposits, investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets. The company is mainly exposed to interest rate risk and foreign currency risk.

i) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market rates. Since the borrowing of the company are classified as non performing assets or are transferred to assets reconstruction company or the settlement agreement have been executed and few lenders are charging interest at fix rate of interest, therefore the exposure to risk of changes in market interest rates is minimal. However the Company is liable for the payment of interest to Central Bank of India @ 1 Year MCLR on the Outstanding amount. During the financial year ended March 31, 2025 the company has paid the entire settelement amount along with interest there on to Central Bank of India and has received no due Certificate accordingly their will be no interest rate risk as on March 31, 2025.

(Rs In Crore)

Particulars	Outstanding Amount as on March 31, 2025	Interest for the period ended as on March 31, 2025	Increase in Interest by 1%	Decrease in Interest by 1%
Central Bank of India	-	-	-	-

(Rs In Crore)

Particulars	Outstanding Amount as on March 31, 2024	Interest for the period ended as on March 31, 2024	Increase in Interest by 1%	Decrease in Interest by 1%
Central Bank of India	243.39	7.45	0.07	(0.07)

Notes to Standalone Financial Statements for the year ended March 31, 2025

ii) Foreign currency risk

The international nature of the Company's business activities generates numerous cash flows in different currencies -especially in USD, EURO and AED. To contain the risks of numerous payment flows in different currencies- in particular in USD, EURO and AED- the Company follows group wise policies for foreign currency management.

The Company's exposure to unhedge foreign currency risk at the end of reporting period are as follows: (In Crore)

Particulars	As at March 31, 2025		
	USD	Euro	AED
Financial assets			
Trade receivables	0.83	0.02	0.16
Net exposure to foreign currency risk (assets)	0.83	0.02	0.16
Financial liabilities			
Trade payables	0.09	0.01	-
Net exposure to foreign currency risk (liabilities)	0.09	0.01	-
Net exposure to foreign currency risk	0.74	0.01	0.16
Net Exposure In Indian Currency (Rs)	63.05	0.22	3.73

(In Crore)

Particulars	As at March 31, 2024		
	USD	Euro	AED
Financial assets			
Trade receivables	1.00	0.04	0.08
Net exposure to foreign currency risk (assets)	1.00	0.04	0.08
Financial liabilities			
Trade payables	0.08	0.02	-
Net exposure to foreign currency risk (liabilities)	0.08	0.02	-
Net exposure to foreign currency risk	0.92	0.02	0.08
Net Exposure In Indian Currency (Rs)	76.27	2.02	1.91

The above table represent only total major exposure of the company towards foreign exchange denominated trade receivables and trade payables.

The company is mainly exposed to change in USD, Euro and AED. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD, Euro and AED against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

The sensitivity of Profit or loss to changes in USD, Euro and AED exchange rate are as follows: (Rs In Crore)

Particulars	As at March 31, 2025		
	Rupee / USD	Rupee / Euro	Rupee / AED
Impact on Profit or loss			
Increase by 5%	3.15	0.01	0.19
Decrease by 5%	(3.15)	(0.01)	(0.19)

(Rs In Crore)

Particulars	As at March 31, 2024		
	Rupee / USD	Rupee / Euro	Rupee / AED
Impact on Profit or loss			
Increase by 5%	3.81	0.10	0.10
Decrease by 5%	(3.81)	(0.10)	(0.10)

Notes to Standalone Financial Statements for the year ended March 31, 2025

47 Capital Management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders. The Capital structure of the Company is as follows:

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Equity share capital	12.74	12.74
Other Equity	(126.17)	(734.96)
Total Equity	(113.43)	(722.22)

48 Corporate Social Responsibility (CSR)

Details of CSR expenditure:

(Rs in Crore)

Particulars	March 31, 2025	March 31, 2024
a) Gross amount required to be spent by the Company during the year	2.20	0.44
b) Amount approved by the Board to be spent during the year	2.71	0.44

c) Amount spent during the year ended on March 31, 2025

(Rs in Crore)

Particulars	(i) Construction / acquisition of any asset	(ii) On purposes other than (i)
Yet to be Paid in Cash	1.96	-
In Cash	0.54	0.17
Total	2.50	0.17

d) Amount spent for the year ended on March 31, 2024

(Rs in Crore)

Particulars	(i) Construction / acquisition of any asset	(ii) On purposes other than (i)
Yet to be Paid in Cash	-	-
In Cash	-	0.48
Total	-	0.48

Notes to Standalone Financial Statements for the year ended March 31, 2025

e) Details related to spent / unspent obligations:

(Rs in Crore)

Particulars	March 31, 2025	March 31, 2024
a) Spent amount in relation to:		
Other than on going Projects		
i) Contribution to Trust		
- Promoting Education	-	0.08
- Medical / healthcare facilities-Treatment for children suffering from Thalassemia	0.17	0.40
On going Projects		
ii) Environment sustainability by developing and Maintaining Oxygen Park	0.54	-
b) Unspent amount in relation to:		
- Ongoing project (Environment sustainability by developing and Maintaining Oxygen Park)	1.96	-
- Other than ongoing project	-	-
Total	2.67	0.48

f) Details of ongoing project and other than ongoing project

(a) In case of S. 135(6) (Ongoing Project)

(Rs in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance		
- With Company	-	-
- In Separate CSR Unspent A/c	1.29	1.29
Amount required to be spent during the year	2.50	-
Amount Deposit in CSR Unspent A/c.	-	-
Amount spent during the year		
- From Company's bank A/c	0.54	-
- From Separate CSR Unspent A/c	1.29	-
Closing Balance		
- With Company*	1.96	-
- In Separate CSR Unspent A/c	-	1.29

* The company have deposited the said amount in Separate Bank Account till the date of Financial Statement.

(b) In case of S. 135(5) (Other than ongoing project)

(Rs in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	(0.04)	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	0.21	0.44
Payment made during the year	0.17	0.48
Closing Balance Payable / (Excess amount spent to be carried forward)	-	(0.04)

Notes to Standalone Financial Statements for the year ended March 31, 2025**49 Disclosure required loan given as required under Sec 186(4) of the Companies Act 2013**

(Rs in Crore)

Name of the loanee	Rate of Interest	Due date	Secured/unsecured	As at March 31, 2025	As at March 31, 2024
Electrotherm Services Limited*	0%	Not Specified	Unsecured	4.18	4.18

* Impairment allowance (Allowance for bad and doubtful debts) of Rs 4.18 Crore has been provided as on March 31, 2025 and March 31, 2024

50 Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties that are repayable on demand or without specifying any terms or period of repayment.

(Rs in Crore)

Type of Borrower	As at March 31, 2025		As at March 31, 2024	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of such loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of such loans
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties^	71.06	100.00	70.98	100.00
Associate	-	-	-	-
Total	71.06	100.00	70.98	100.00

^Impairment allowance (Allowance for bad and doubtful debts) of Rs 67.42 Crore has been provided as on March 31, 2025 and Rs 67.42 Crore as on March 31, 2024.

51 Financial Ratio

(Rs in Crore)

Sr No	Ratio	Numerator	Denominator	Current Year	Previous Year	% change	Reason for variance
1	Current ratio	Current Assets	Current Liabilities	0.68	0.57	18.44	Not Applicable
2	Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	Ratio is not calculated as the equity value is negative
3	Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest Cost	Debt service = Interest & Lease Payments + Principal Repayments	1.55	1.49	4.40	Not Applicable
4	Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-	-	-	Ratio is not calculated as the average shareholder equity value is negative.
5	Inventory Turnover ratio	Value of Sales and Services - Sales Return - Discounts & Rebates	Average Inventory	6.82	7.22	(5.63)	Not Applicable
6	Trade Receivable Turnover Ratio	Value of Sales and Services - Sales Return - Discounts & Rebates	Average Trade Receivable	17.92	20.78	(13.76)	Not Applicable
7	Trade Payable Turnover Ratio	Net Purchase and Services Utilised	Average Trade Payables	8.34	9.63	(13.47)	Not Applicable

Notes to Standalone Financial Statements for the year ended March 31, 2025

(Rs in Crore)

Sr No	Ratio	Numerator	Denominator	Current Year	Previous Year	% change	Reason for variance
8	Net Capital Turnover Ratio	Value of Sales and Services - Sales Return - Discounts & Rebates	Working capital = Current assets – Current liabilities	-	-	-	Ratio is not calculated as the Net Capital is negative.
9	Net Profit ratio	Net Profit after tax	Net sales = Total sales - sales return	10.43%	7.50%	39.07	The Net Profit has increase due to profit shown in under the head exceptional item.
10	Return on Capital Employed	Earnings before interest expenses, exceptional item and taxes	Capital Employed = Average Tangible Net Worth + Total Debt + Lease Obligation + Deferred Tax Liability - Deferred Tax Assets	32.33%	41.62%	(22.32)	Not Applicable
11	Return on Investment	Interest (Finance Income) and fair valuation of financail assets	Weighted Average of Investment in subsidiary, Joint venture, Mutual fund and Fixed Deposit	5.60%	4.73%	18.45	Not Applicable

52 Events occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 20, 2025, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in the financial statements.

53 Previous year amount has been regrouped/re-casted/re-arranged/ re-classified/re-determined, wherever necessary, to make the figure of the current year comparable with the previous year.

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBJ2902

Shailesh Bhandari
Executive Vice Chairman
DIN:- 00058866

Suraj Bhandari
Managing Director
DIN:- 07296523

Amit Kumar Patwarika
Chief Financial Officer

Harish Mukati
Chief Executive Officer
(Steel Division)

Fageshkumar R. Soni
Company Secretary

Place: Palodia
Date: May 20, 2025

Place: Palodia
Date: May 20, 2025

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
Electrotherm (India) Limited.

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

We have audited the accompanying consolidated financial statements of **Electrotherm (India) Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint venture, comprising of the consolidated Balance Sheet as at March 31, 2025, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint venture as at March 31, 2025, of its consolidated profit and total comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

We draw attention to Note No. 36 of non-provision of interest on NPA accounts of banks and Assets Reconstruction Company on approximate basis of Rs 172.41 crore, for the year under consideration and the total amount of such unprovided interest till March 31, 2025, is Rs 1212.65 Crore. The exact amounts of the said non-provision of interest are not determined and accordingly the amount of Net Profit for the year is overstated by Rs.172.41 crore and the amount of Banks and Assets Reconstruction Company liability and total retained earnings/(loss) as on March 31, 2025, is understated by Rs. 1212.65 crore. Our audit reports for the previous year ended March 31, 2024, was also qualified in respect of this matter.

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

Material Uncertainty Related to Going Concern of its Subsidiaries and Joint Venture**A. Bhaskarpara Coal Company Limited**

We draw attention on Note No 42(a) of the consolidated financial statements, relating to the actions taken by Ministry of Coal, Government of India for de-allocation of the Coal block in Joint venture Bhaskarpara Coal Company Limited, affecting the going concern of the said joint venture.

B. Shree Ram Electrocast Limited

We draw attention on Note No 42(b) of the consolidated financial statements, relating to the actions taken by State Bank of India under SARFAESI Act, 2002 and subsequent action of the sale through auction of the assets of the subsidiary Company by Bank, affecting the going concern of the said subsidiary company.

C. Hans Ispat Limited

We draw attention on Note No. 42(d) of the consolidated financial statements which describes the financial position and execution of sale deed in favour of auction purchaser by the Recovery Officer. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the said subsidiary company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following Notes to Statement of Consolidated Audited Financial Statements of the Company:

- (a) **Note No 14(c), 14(f), 14(g) and 34** in respect of non-payment of Instalments and Interest due, terms and conditions of the settlement agreement prescribing for restoration of loan amount to the original amount in case of default on account of non-compliance of

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

said terms and conditions and treatment in the books of accounts of the assignment / settlement of debts of Asset Reconstruction Company and Bank.

- (b) **Note No 18(d)** relating to the redemption of non-cumulative redeemable preference shares amounting to Rs 12.00 Crore that were due for redemption. The Holding Company has filed a petition under Section 55(3) of the Companies Act, 2013, before the Hon'ble National Company Law Tribunal (NCLT) seeking approval for issue of Non-cumulative Redeemable Preference Shares to the existing preference shareholders of the amount equivalent to the amount of the unredeemed preference shares and the matter is currently pending for further consideration.
- (c) **Note No 31(a), 35 and 39** in respect of pending enquiries / notices / summons / litigation recovery / fraud proceedings against the group and the Directors of the group.
- (d) **Note No 35(d)(iii)** in respect of search conducted by Directorate of Enforcement, Zonal Office, Ahmedabad (ED) at the Corporate Office & factory of the holding company at Palodia and the residence of Mr. Shailesh Bhandari on January 10, 2025 and consequent order of freezing certain bank accounts and vehicles by the ED.
- (e) **Note No 37(b)** in respect of confirmation / reconciliation of few accounts of "Trade Receivables", "Trade Payables", "Advance from Customers", Advances Recoverable in Cash or Kind", and "Advance to suppliers and other parties".
- (f) **Note no. 41** which describes the execution of a Family Settlement Agreement (FSA) among the members of the Bhandari Family, who are part of the promoter group/shareholders of the Holding Company. The agreement seeks to resolve inter se family and business matters and potentially result in changes to the shareholding and control of group entities.

In Our opinion in respect of the above *Emphasis of Matter*, we do not provide any modified opinion, as these are not material or relevant for the accounting purpose, for the year under consideration.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters (Other than those given in Basis for Qualified Opinion)	Auditor's Response
Recognition of Bad Debts on Disputed Trade Receivables Previously Provided for under Expected Credit Loss Model - As disclosed in Note 37(g) to the financial statements, the group has written off certain trade receivables as bad debts during the year. These receivables were subject to ongoing disputes and/or the inability of the customers to make payments. The disputes and financial difficulties faced by the customers resulted in the non-recovery of the receivable amounts. - The group had previously recognized provisions against these trade receivables under the Expected Credit Loss (ECL) model in accordance with the applicable financial reporting framework. The bad debts written off during the year reflect the crystallization of credit losses that were earlier estimated and provided for. - Given the significance of the trade receivables, the judgment involved in identifying irrecoverable balances, and the linkage to previously recognized ECL provisions, we considered the recognition of bad debts on these disputed and defaulted trade receivables as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - Reviewing the details of the disputed and defaulted receivables written off during the year, including supporting documentation such as customer communications and legal correspondence; - Evaluating management's assessment of non-recoverability and ensuring that the write-offs were appropriately authorized and supported by evidence of failed recovery efforts; - Verifying that the bad debts written off were previously covered by ECL provisions and ensuring the appropriate reversal or utilization of provisions in accordance with the applicable accounting standards; - Assessing the adequacy and accuracy of the disclosures in the financial statements relating to the nature, amount, and treatment of the bad debts written off.

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

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Responsibilities of Management for the consolidated financial statements

The Holding Company's management and Board of Directors are responsible for matter stated in Section 134(5) of the Act, with respect to the preparation and presentation of these consolidated financial statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies included in the Group and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of Group and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal Financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture 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.

The respective Board of Directors of the companies included in the Group and the respective Management, and its Joint venture are also responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/information of such entities or business activities within the Group and its joint venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other Matter

1. We did not audit the financial statements / financial information, in respect of three subsidiaries, whose financial statements / financial information reflects total assets (before consolidation adjustments) of Rs. 22.79 crore as at March 31, 2025, total revenues (before consolidation adjustments) of Rs 0.00 crore, Group's share of total net profit after tax (before consolidation adjustments) of Rs 40.47 crore, Group's share of total comprehensive profit (before consolidation adjustments) of Rs 40.47 crore and Group's share of net cash inflow (before consolidation adjustments) of Rs. 40.47 crore for the year ended March 31, 2025, as considered in the Statement. The consolidated financial statements also include the Group's share of net profit after tax (before consolidation adjustments) of Rs 0.25 crore for the year ended March 31, 2025, as considered in the consolidated financial statements of one joint venture. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of subsections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the report(s) of such other auditors.
2. The accompanying consolidated financial statements include two subsidiaries which are located outside India whose financial statements / financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and are unaudited and whose financial statements include Group's share of total assets (before consolidation adjustments) of Rs 4.07 Crores as at March 31, 2025, Group's share of total revenues (before consolidation adjustments) of Rs 0.01 Crores, Group's share of total net profit after tax (before consolidation adjustments) of Rs 0.01 crore, Group's share of total comprehensive profit (before consolidation adjustments) of Rs 0.01 crore and Group's share of net cash inflow (before consolidation adjustments) of Rs. 0.01 crore for the year ended March 31, 2025, as considered in the Statement. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters, with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and Joint Venture Company, incorporated in India, as noted in the 'Other Matter' paragraph, we give, to the extent applicable, in the **"Annexure A"** a statement on the matters specified in paragraph 3(xxi) of the Order,

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and its joint venture as noted in the 'other matter' paragraph we report, to the extent applicable, that:
- (a) We/the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements;
 - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - (c) Based on our audit and on the consideration of reports of the other auditors, the consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) The possible effects of the matter described in the Basis for 'Qualified Opinion' and 'Emphasis of Matter' paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
 - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group's companies and joint venture incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
 - (g) The qualification relating to other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph.
 - (h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B" to this report;
 - (i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, no managerial remuneration for the year ended March 31, 2025 has been paid by the Group and its joint venture, which are incorporated in India, to its Directors and hence the provisions of section 197 read with Schedule V to the Act are not applicable.
 - (j) The going concern matter described in Material Uncertainty Related to Going Concern of its Subsidiaries and Joint Venture paragraph above, in our opinion, may have an adverse effect on Group.
 - (k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other Matters' paragraph;
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated Financial position of the Group and its joint venture –Refer Note 31(a), 35, and 39 to the Consolidated Financial Statements;
 - ii. The Group and its joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2025;
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture incorporated in India during the year ended March 31, 2025 and
 - iv. (a) The respective management of the Holding Company, its subsidiary companies and joint venture company, which are incorporated in India, whose financial statements / financial information have been audited under the Act have represented to us and the other auditors of such subsidiary companies and joint venture company respectively that, to the best of its knowledge and belief, as disclosed in the Note No 40 to the consolidated financial statements, no funds (which are material either individually or in 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 Group and its joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

persons or entities identified in any manner whatsoever by or on behalf of the Group and its joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The respective management of the Holding Company, its subsidiary companies and joint venture company, which are incorporated in India whose financial statements/financial information have been audited under the Act have represented to us and the other auditors of such subsidiary companies and joint venture company respectively that, to the best of its knowledge and belief, as disclosed in the Note No 40 to the consolidated financial statements, no funds (which are material either individually or in aggregate) have been received by the Group and its joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group and its joint venture 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 that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary companies and joint venture companies incorporated in India whose financial statements/ financial information have been audited under the Act, nothing has to come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Holding company, subsidiary companies and joint venture, incorporated in India.
- vi. Based on our examination which included test checks and based on the other auditors' report of its subsidiary companies and joint venture company, which are Incorporated in India, whose financial statements have been audited under the Act, the holding company, Its subsidiary companies (incorporate in India) and joint venture companies have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For, Hitesh Prakash Shah & Co
(Firm Regd.no: 127614W)
Chartered Accountants

Hitesh Shah
Partner

Membership No. 124095
UDIN: 25124095BMILBK2162

Place: Palodia
Date: May 20, 2025

ANNEXURE A TO THE CONSOLIDATED AUDITOR'S REPORT

Annexure A referred to in paragraph 1 of our report of even date on Other Legal and Regulatory Requirements for the year ended March 31, 2025

1. Summary of adverse remarks by the respective auditors in the Companies (Auditors Report) Order of the respective subsidiary companies is given hereunder:

Sr. No	Name	CIN	Holding Company/ Subsidiary Company/Joint Venture	Clause number of the CARO report which may have possible adverse impact
1	Electrotherm (India) Limited	L29249GJ1986PLC009126	Holding Company	iii, vii(c) and ix(a) and xx
2	Shree Ram Electro Cast Limited	U27109GJ2004PLC066347	Wholly Owned Subsidiary	ii(b), vii(c), ix(a), ix(b), xvii and xix
3	Hans Ispat Limited	U51109GJ1991PLC057955	Wholly Owned Subsidiary	i(c), ii(b), vii(c), ix(a), ix(b), xiv(b) and xix
4	Electrotherm Services Limited	U74110GJ1995PLC064736	Wholly Owned Subsidiary	xvii and xix
5.	Bhaskarpara Coal Company Limited	U10100CT2008PLC020943	Joint Venture	i(c) and xix

For, Hitesh Prakash Shah & Co
(Firm Regd.no: 127614W)
Chartered Accountants

Place: Palodia
Date: May 20, 2025

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBK2162

ANNEXURE B TO THE CONSOLIDATED AUDITOR'S REPORT

Annexure B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Electrotherm (India) Limited REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Electrotherm (India) Limited as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Electrotherm (India) Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture company, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated Financial Statements of the Holding Company, its subsidiary companies and its joint venture company, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and joint venture, which are companies incorporated in India, have, maintained in all material respects, except otherwise stated or reported to the management, an adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control

ANNEXURE B TO THE CONSOLIDATED AUDITOR'S REPORT

over financial reporting criteria established by the Holding Company, its subsidiary companies and joint venture considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For, Hitesh Prakash Shah & Co
(Firm Regd.no: 127614W)
Chartered Accountants

Place: Palodia
Date: May 20, 2025

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBK2162

Consolidated Balance Sheet as at March 31, 2025

(Rs In Crore)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non Current Assets			
a) Property, Plant and Equipment	3	594.95	608.81
b) Capital Work in Progress	3	97.67	44.10
c) Goodwill	4a	-	-
d) Intangible Assets	4b	1.95	2.74
e) Right of Use Assets	4c	3.78	1.03
f) Financial Assets			
i) Investment in Joint Venture	5	7.26	7.01
ii) Investments	5	0.72	0.68
iii) Other Financial Assets	6	38.68	41.30
g) Deferred Tax Asstes (Net)	30	32.14	-
h) Other Non Current Assets	7	23.52	33.37
Total Non- Current Assets (A)		800.67	739.04
Current assets			
a) Inventories	8	592.87	617.67
b) Financial Assets			
i) Investments	5	0.05	0.05
ii) Trade Receivables	9	257.07	224.01
iii) Cash and Cash Equivalent	10	9.22	55.31
iv) Bank Balance Other than (iii) Above	10	63.04	7.03
v) Other Financial Assets	6	1.51	1.57
c) Current Tax Assets	11	13.24	10.21
d) Other Current Assets	7	180.62	186.39
Total Current Assets (B)		1,117.62	1,102.24
TOTAL ASSETS (A+B)		1,918.29	1,841.28
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	12.74	12.74
b) Other Equity	13	(171.52)	(793.86)
Total Equity (A)		(158.78)	(781.12)
Liabilities			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	14	353.26	606.59
ii) Other Financial Liabilities	15	-	0.02
iii) Lease Liabilities	16	1.98	-
b) Provisions	17	29.60	24.58
Total Non Current Liabilities (B)		384.84	631.19
Current liabilities			
a) Financial Liabilities			
i) Short Term Borrowings	18	929.65	1,162.72
ii) Lease Liabilities	16	1.87	1.03
ii) Trade Payables	19		
Total Outstanding Dues Of :			
- Micro Enterprises & Small Enterprises		69.86	127.29
- Other than Micro Enterprises & Small Enterprises		389.11	300.20
iv) Other Financial Liabilities	15	13.16	72.45
b) Other Current Liabilities	20	265.77	306.36
c) Provisions	17	22.81	21.16
Total Current Liabilities (C)		1,692.23	1,991.21
TOTAL EQUITY AND LIABILITIES (A+B+C)		1,918.29	1,841.28
Corporate information and summary of material accounting policy information	1 & 2		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBK2162

Shailesh Bhandari
Executive Vice Chairman
DIN:- 00058866

Suraj Bhandari
Managing Director
DIN:- 07296523

Amit Kumar Patwarika
Chief Financial Officer

Harish Mukati
Chief Executive Officer
(Steel Division)

Fageshkumar R. Soni
Company Secretary

Place: Palodia
Date: May 20, 2025

Place: Palodia
Date: May 20, 2025

Consolidated Statement of Profit and Loss for the Year ended March 31, 2025

(Rs In Crore)

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue From Operations	21	4,115.37	4,271.50
Other Income	22	8.29	4.65
Total Income		4,123.66	4,276.15
Expenses			
Cost of Raw Materials and Components Consumed	23	2,723.56	2,988.63
Purchases of Stock in Trade	23	55.79	-
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	27.87	(15.23)
Employee Benefit Expense	25	198.85	160.96
Finance Costs	26	45.52	60.14
Depreciation and Amortisation Expense	27	44.39	46.70
Other Expenses	28	737.79	717.65
Total expenses		3,833.77	3,958.85
Profit Before Exceptional Items And Tax		289.89	317.30
Exceptional item (Gain)	29	119.87	-
Profit Before Tax		409.76	317.30
Tax expenses:	30		
Deferred Tax		(32.14)	-
Total Tax Expense/(Income)		(32.14)	-
Profit for the Year		441.90	317.30
Profit From Joint Venture		0.25	0.03
Profit for the Year		442.15	317.33
Other comprehensive income / (loss)			
A. Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent period			
Re-measurement gain / (loss) on defined benefit plans		(2.78)	(2.24)
Income tax effect relating to these items		-	-
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period		(2.78)	(2.24)
Total Other comprehensive income/(loss) for the year, net of tax		(2.78)	(2.24)
Total comprehensive income for the year		439.37	315.09
Profit for the year attributable to :			
Equity holders of the parent		442.15	317.33
Non Controlling interest		-	-
Other comprehensive income / (loss) attributable to :			
Equity holders of the parent		(2.78)	(2.24)
Non Controlling interest		-	-
Total comprehensive income attributable to :			
Equity holders of the parent		439.37	315.09
Non Controlling interest		-	-
Earnings per equity share (nominal value of shares Rs 10) (Basic & Diluted before exceptional Item)	33	252.97	249.08
Earnings per equity share (nominal value of shares Rs 10) (Basic & Diluted after exceptional Item)	33	347.06	249.08
Corporate information and summary of material accounting policy information	1 & 2		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBK2162

Shailesh Bhandari
Executive Vice Chairman
DIN:- 00058866

Suraj Bhandari
Managing Director
DIN:- 07296523

Amit Kumar Patwarika
Chief Financial Officer

Harish Mukati
Chief Executive Officer
(Steel Division)

Fageshkumar R. Soni
Company Secretary

Place: Palodia
Date: May 20, 2025

Place: Palodia
Date: May 20, 2025

Consolidated Cash Flow Statement for the Year Ended March 31, 2025

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	409.76	317.30
Adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation on property, plant, equipment & Amortization of Assets	44.39	46.70
Finance income (including fair value changes in financial instruments)	(3.25)	(2.46)
Net Sundry Balances Written Off / (Written Back)	64.98	2.04
Exceptional item	(119.87)	-
Provision / (Reversal) for Expected Credit Loss	(56.96)	11.01
Profit From Joint Venture	0.25	0.03
Profit From sale of Property Plant and Equipments	-	(0.06)
Other Non Cash Item	-	(0.08)
Finance costs (including fair value changes in financial instruments)	45.52	60.14
Unrealized foreign exchange (gain) / loss	(3.38)	(3.87)
Operating Profit before working capital changes	381.44	430.75
Working capital adjustments:		
Decrease/(Increase) in trade receivables	(37.41)	(24.45)
Decrease/(Increase) in inventories	20.67	(47.04)
Decrease/(Increase) in other current financial assets & others	0.05	-
Decrease/(Increase) in other current Asset	5.77	(8.86)
Decrease/(Increase) due to lien balance in current Account	(34.29)	-
(Decrease)/Increase in trade payables	31.17	50.72
(Decrease)/Increase in other current liabilities	(40.59)	(50.86)
(Decrease)/Increase in other current financial liabilities	1.01	(0.59)
(Decrease)/Increase in provisions	3.89	4.99
Cash generated from operations	331.71	354.66
Direct taxes paid (net)	(3.03)	(3.32)
Net Cash (used in) generated from operating activities	328.68	351.34
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipments & intangible assets (including CWIP and capital advances)	(89.06)	(68.59)
Sale of Shares of Subsidiary	0.01	-
Increase in Investment in Joint Venture	(0.25)	(0.03)
Proceeds from sale of Property Plant & Equipment	33.02	0.12
Redemption/maturity of bank deposits(having original maturity of more than three months)	(18.64)	(1.56)
Interest income	2.75	2.19
Net Cash (used in) generated from investing activities	(72.17)	(67.87)
C: CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings (Net)	(238.58)	(215.58)
Payment of Principal portion of Lease Liabilities	(0.79)	(0.57)
Finance Cost (Net)	(63.23)	(78.10)
Net Cash (used in) generated from financing activities	(302.60)	(294.25)
Net (Decrease)/ Increase in Cash and Cash Equivalents	(46.09)	(10.78)
Cash and Cash Equivalents at the beginning of the year	55.31	66.09
Cash and Cash Equivalents at the end of the year	9.22	55.31

Consolidated Cash Flow Statement for the Year Ended March 31, 2025**Unrealized foreign exchange (gain) / loss**

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Trade Receivable	(3.67)	(4.15)
Trade Payable	0.29	0.28
Total	(3.38)	(3.87)

Notes:-

- a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Cash Flow Statement".
- b) Disclosure of change in liabilities arising from financing activities, including both arising from cash flows and non-cash changes are as per Note No. 14(e), 18(c) & 31(b)(ii).

As per our report of even date
For Hitesh Prakash Shah & Co.
 Chartered Accountants
 Firm Registration No: 127614W

Hitesh Shah
 Partner
 Membership No. 124095
 UDIN: 25124095BMILBK2162

Place: Palodia
 Date: May 20, 2025

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Shailesh Bhandari
 Executive Vice Chairman
 DIN:- 00058866

Amit Kumar Patwarika
 Chief Financial Officer

Place: Palodia
 Date: May 20, 2025

Suraj Bhandari
 Managing Director
 DIN:- 07296523

Harish Mukati
 Chief Executive Officer
 (Steel Division)

Fageshkumar R. Soni
 Company Secretary

Consolidated Statement of Change in Equity for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL

Particulars	No. of Shares	(Rs In Crore)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2023	1,27,42,814	12.74
Change in Equity Share Capital Due to Prior Period Errors		
Restated balance as at April 1, 2023	1,27,42,814	12.74
Add:- Issue of Equity Share Capital	-	-
As at March 31, 2024	1,27,42,814	12.74
Change in Equity Share Capital Due to Prior Period Errors		
Restated balance as at April 1, 2024	1,27,42,814	12.74
Add:- Issue of Equity Share Capital	-	-
As at March 31, 2025	1,27,42,814	12.74

B. OTHER EQUITY

(Rs In Crore)

Particulars	Reserves & Surplus				Total Other Equity
	Capital Reserve	Securities Premium	General Reserves	Retained Earnings	
As at April 1, 2023	158.57	253.79	336.19	(1,857.50)	(1,108.95)
Profit for the year	-	-	-	317.33	317.33
Other Comprehensive Income/(Loss) (Re-measurement loss on defined benefit plans)	-	-	-	(2.24)	(2.24)
Total Comprehensive Income(Loss)	-	-	-	315.09	315.09
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
As at March 31, 2024	158.57	253.79	332.93	(1,539.15)	(793.86)
Profit for the year	-	-	-	442.15	442.15
Add: Addition During the Year (Refer Note 34 (i) & (v))	182.97	-	-	-	182.97
Other Comprehensive Income / (Loss) (Re-measurement loss on defined benefit plans)	-	-	-	(2.78)	(2.78)
Total Comprehensive Income	-	-	-	439.37	622.34
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	-	-	(3.26)	3.26	-
As at March 31, 2025	341.54	253.79	329.67	(1,096.52)	(171.52)

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBK2162

Shailesh Bhandari
Executive Vice Chairman
DIN:- 00058866

Suraj Bhandari
Managing Director
DIN:- 07296523

Amit Kumar Patwarika
Chief Financial Officer

Harish Mukati
Chief Executive Officer
(Steel Division)

Fageshkumar R. Soni
Company Secretary

Place: Palodia
Date: May 20, 2025

Place: Palodia
Date: May 20, 2025

Notes to Consolidated Financial Statements for the year ended March 31, 2025**1. CORPORATE INFORMATION:**

The consolidated financial statements comprise financial statements of Electrotherm (India) Limited (the “Company”) and its subsidiary and Joint Venture (collectively the “Group”) for the year ended March 31, 2025. The principal business of the Group is the manufacturing of Induction Furnace, Casting Machines, Transformers, Sponge and Pig Iron, Ferrous and Non-Ferrous Billets/ bars/ Ingots, Ductile Iron Pipes, Transmission Line Towers, Battery Operated Vehicles and Services relating to Steel Melting and other Capital Equipments.

The consolidated financial statements were authorised for issue in accordance with a resolution passed in Board Meeting held on May 20, 2025.

2. BASIS OF PREPARATION:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) including the Companies (Indian Accounting Standards) Amendment Rules, 2019 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements of the Group.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments) and derivative financial instruments.

Certain comparative figures appearing in these consolidated financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

The consolidated financial statements are presented in Indian Rupee and has been rounded off to the nearest Crore. Amounts less than 0.01 Crore have been presented as “0.00” except where otherwise indicated.

2.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES:**a) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and joint venture, for the year ended March 31, 2025. In the preparation of consolidated financial statements, investment in subsidiary has been accounted for in accordance with Ind AS 110 on ‘Consolidated financial statements. The consolidated financial statements have been prepared on the following basis:-

- i) Subsidiary is fully consolidated from the date of incorporation, being the date on which the Company obtains control and continues to be consolidated until the date that such control ceases (including through voting rights). Subsidiary has been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealized profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full.
- ii) The financial statements of the subsidiary in India are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company’s standalone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s standalone financial statements. Any deviation in accounting policies is disclosed separately.
- iii) The financial statements of the subsidiary outside India are prepared in accordance with the principles general accepted in their respective countries. On consolidation, the assets and liabilities of foreign operations are translated into Rupees at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of transactions. For practical reasons, the Group uses a monthly average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of transactions.
- iv) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.
- v) The subsidiaries company considered in the consolidated financial statements and disclosure of significant interest in the subsidiaries and joint venture as per para 17 of Ind AS 27 are as under: -

Name of the Group	Country of Incorporation	Relationship	% of Ownership Interest as at March 31, 2025
Jinhua Indus Enterprises Limited	Republic of China	Foreign Subsidiary	100.00%
Jinhua Jahari Enterprise Limited (fellow subsidiary)	Republic of China	Subsidiary of the Foreign subsidiary	100% Jinhua Indus Enterprises Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2025

Name of the Group	Country of Incorporation	Relationship	% of Ownership Interest as at March 31, 2025
ET Elec-Trans Limited	India	Domestic Subsidiary (Up to November 13, 2024)	-
Hans Ispat Limited	India	Domestic Subsidiary	100.00%
Shree Ram Electro Cast Limited	India	Domestic Subsidiary	95.00%*
Electrotherm Services Limited	India	Domestic Subsidiary	100.00%

*5% shares of Shree Ram Electro Cast Limited are held by Electrotherm Services Limited, Subsidiary.

Equity accounted investees

The Group's interests in equity accounted investees comprise interest in joint venture. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interest in joint venture is accounted for using equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, consolidated financial statements include the Group's share of profit or loss of equity accounted investees until the date on which significant influence or joint control ceases.

The joint venture considered in the consolidated financial statements is:

Name of the Group	Country of Incorporation	Relationship	% of Ownership Interest as at March 31, 2025
Bhaskarpara Coal Company Limited	India	Joint Venture Company	52.63%

b) CURRENT VERSUS NON-CURRENT CLASSIFICATION:

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) FOREIGN CURRENCIES:

The Group's financial statements are presented in Rupees in Crore, which is also the Group's functional currency. The Group determines the functional currency and items included in the consolidated financial statements are measured using that functional currency.

Notes to Consolidated Financial Statements for the year ended March 31, 2025**Transactions and balances**

Transactions in foreign currencies are initially recorded in the Group's functional currency at the exchange rates prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements.

Exchange differences arising on settlement of such transactions and on translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

d) FAIR VALUE MEASUREMENT:

The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring fair value measurement.

External valuers are involved for valuation of unquoted financial assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

e) REVENUE FROM CONTRACT WITH CUSTOMER

Revenue from contracts with customers is recognized to the extent that is probable that the economic benefits will flow to the Group and revenue can be reliably measurable regardless of when payment is being received. Revenue is measured at transaction value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Group has concluded that it is the principal in all its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

However, the Goods & Service Tax is not received by Group on its own account, rather it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Goods:

Revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as Goods and Service Tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognised on application. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.

Dividends:

Dividend is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income and expense:

Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

Contract Balances

Contract assets:

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

Trade receivables:

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Notes to Consolidated Financial Statements for the year ended March 31, 2025**Contract liabilities (Advance from customers)**

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

Refund liabilities:

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

f) PROPERTY, PLANT AND EQUIPMENT (PPE):

Property Plant and Equipment and Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred.

CWIP comprises of cost of PPE that are yet not installed and not ready for their intended use at the Balance Sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable.

The Group (except Shree Ram Electro Cast Limited) calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013, except in respect of following property plant and equipment:

- a) Long Term Lease hold land is amortised over a period of 99 years, being the lease term.
- b) Power Plant are depreciated at annual rate of 5% and same is to bring the depreciation rates in line with the useful life of assets as estimated by the Technical Team of the Group.
- c) Shree Ram Electro Cast Limited calculate depreciation on items of property, plant and equipment on the written down basis, using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013,

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

g) INTANGIBLE ASSETS:

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets in the form of software are amortised over a period of six years and trademarks over a period of five years as per their respective useful life based on a straight-line method. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of profit or loss when the asset is derecognised.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

h) IMPAIRMENT OF NON-FINANCIAL ASSETS:

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

i) BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j) LEASES:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee:

i Right of use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e the date the underlying asset is available for use), Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets	Estimated Useful Life
Right-of-use of office premises and Leasehold land	Over the balance period of lease agreement

If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in relating to Impairment of non-financial assets.

ii Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

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

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases of office equipment that is considered to be low value amounting to Rs. 0.02 crore. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k) FINANCIAL INSTRUMENTS:

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

Financial assets**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through Consolidated Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or which the Group has applied the practical expedient, are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.1(e) Revenue from contracts with customers.

Subsequent measurement

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

- Financial assets instruments (debt instruments) - measured at amortised cost
- Financial asset at fair value through profit or loss (FVTPL) (Derivatives and Equity Instruments)
- Financial asset - measured at fair value through other comprehensive income (FVTOCI)

Financial asset at amortised cost (debt instruments)

A 'financial assets' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

Financial Assets at FVTOCI

Financial assets that meet the following conditions are measured initially as well as at the end of each reporting date at fair value, recognised in other comprehensive income (OCI).

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the asset that give rise on specified dates to cash flows that represent solely payment of principal and interest.

Financial Assets at FVTPL

Financial assets are carried in the balance sheet at fair value and net changes in fair value recognised in the consolidated statement of profit and loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

This category includes derivative instruments and investments in equity instruments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on such investments are recognised in the statement of profit and loss when the right of payment has been established

Financial Assets included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of Profit and Loss.

Equity investments

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements. All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

The Group considers a financial asset in default when contractual payments are overdue. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to

Notes to Consolidated Financial Statements for the year ended March 31, 2025

receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the consolidated Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Consolidated Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities & Equity Instruments**Classification as debt or equity**

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

Equity instruments

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

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Consolidated Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through Profit or Loss.

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through Consolidated Statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains / losses are not subsequently transferred to Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Group has not designated any financial liability at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation

Derecognition

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

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) INVENTORIES:

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Scrap is valued at net realisable value. Cost is determined on a Weighted Average method.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, incurred in bringing them in their respective present location and condition.

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

m) RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Retirement benefits in the form of provident fund are defined contribution plans. The Group has no obligation, other than the contributions payable to provident fund. The Group recognises contribution payable to these funds as an expense, when an employee renders the related service.

For the defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs comprising current service costs; and
- Net interest expense or income

Notes to Consolidated Financial Statements for the year ended March 31, 2025

The liability in respect of unused leave entitlement of the employees as at the reporting date is determined on the basis of an independent actuarial valuation carried out and the liability is recognized in the Consolidated Statement of Profit and Loss. Actuarial gain and loss are recognised in full in the period in which they occur in the Consolidated Statement of Profit and Loss.

n) TAXES:

Tax Expenses comprises of current income tax and deferred tax

Current income tax:

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

Current income tax relating to items recognised outside the Consolidated Statement of Profit and Loss is recognised outside the Consolidated Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit or Loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

o) PROVISIONS:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

p) EARNINGS PER SHARE:

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

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

q) CASH AND CASH EQUIVALENT:

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

r) CASH DIVIDEND:

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s) CONTINGENT LIABILITIES:

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

2.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Group's financial statements requires management to make judgements, estimates customer will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for revenue from contract with customer. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract with the customer. Before adjusting any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions.

Judgements

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

Determining the lease term of contracts with renewal and termination options – Group as lessee.

The Group determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in Note 32.

Useful Life of Property Plant & Equipment and Intangible assets

Property, Plant and Equipment and Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value. Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

2.3 RECENT ACCOUNTING PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 -Insurance Contracts and amendments to Ind As 116 – Leases, relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.



Notes to Consolidated Financial Statements for the year ended March 31, 2025

(Rs In Crore)

3 Property, plant and equipment

Particulars	Freehold Land	Building	Plant and Machinery	Computer	Furniture and Fixtures	Office Equipment	Vehicles	Total
Cost								
As at April 1, 2023	151.96	305.24	964.84	11.30	5.05	6.31	7.36	1,452.06
Additions	-	0.80	19.82	0.12	0.03	0.69	0.12	21.58
Disposals	-	-	-	0.03	-	-	0.12	0.15
As at March 31, 2024	151.96	306.04	984.66	11.39	5.08	7.00	7.36	1,473.49
Addition	-	0.10	36.11	1.47	0.06	0.69	6.42	44.85
Disposals	1.32	4.80	34.25	0.04	0.05	0.10	0.98	41.54
As at March 31, 2025	150.64	301.34	986.52	12.82	5.09	7.59	12.80	1,476.80
Depreciation and Impairment								
As at April 1, 2023	-	98.95	699.09	10.11	2.74	4.64	4.08	819.61
Depreciation and Impairment for the Year	-	13.39	29.48	0.65	0.38	0.64	0.62	45.16
Disposals	-	-	-	0.03	-	-	0.06	0.09
As at March 31, 2024	-	112.34	728.57	10.73	3.12	5.28	4.64	864.68
Depreciation and Impairment for the Year	-	12.22	28.40	0.52	0.36	0.52	0.89	42.91
Disposals	-	1.59	23.14	0.04	0.05	0.15	0.77	25.74
As at March 31, 2025	-	122.97	733.83	11.21	3.43	5.65	4.76	881.85
Net Block								
As at April 1, 2023	151.96	206.29	265.75	1.19	2.31	1.67	3.28	632.45
As at March 31, 2024	151.96	193.70	256.09	0.66	1.96	1.72	2.72	608.81
As at March 31, 2025	150.64	178.37	252.69	1.61	1.66	1.94	8.04	594.95

(a) There is a pari-pasu charge by way of Registered Mortgage on Immovable Property, Plant and Equipments & hypothecation on all Movable Property, Plant & Equipments.

(b) No borrowing costs are capitalized on Property Plant and Equipment during the current and previous years as the group has not borrowed fund for the purpose of acquisition of Property Plant and Equipment.

(c) The title deed of immovable properties are held in the name of group.

(d) Capital Work in Progress :

Particulars	(Rs. In Crore)
As at March 31, 2024	44.10
As at March 31, 2025	97.67

Notes to Consolidated Financial Statements for the year ended March 31, 2025**3(e) Capital Work In Progress ageing schedule is as below**

As At March 31, 2025

CWIP Ageing Schedule

(Rs. In Crore)

Particular	Amount in CWIP for a period of				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects in progress	68.37	18.58	3.09	7.58	97.62
Projects temporarily suspended	-	-	-	0.05	0.05
Total	68.37	18.58	3.09	7.63	97.67

CWIP which are being temporarily suspended

(Rs. In Crore)

Particular	To be completed in				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects temporarily suspended					
Staff Utility	-	-	-	0.05	0.05
Total	-	-	-	0.05	0.05

Capital Work In progress ageing schedule is as below

As At March 31, 2024

CWIP Ageing Schedule

(Rs. In Crore)

Particular	Amount in CWIP for a period of				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects in progress	26.05	9.05	2.62	4.96	42.68
Projects temporarily suspended	-	-	0.01	1.41	1.42
Total	26.05	9.05	2.63	6.37	44.10

CWIP which are being temporarily suspended

(Rs. In Crore)

Particular	To be completed in				
	less Than 1 year	1-2 Year	2-3 year	More than 3 years	Total
Projects temporarily suspended					
Gassifire	-	-	-	0.19	0.19
Gas Pipeline	-	-	-	0.90	0.90
15.0 Mld Desalination Plant	-	-	-	0.28	0.28
Staff Utility	-	-	-	0.05	0.05
Total	-	-	-	1.42	1.42

Notes to Consolidated Financial Statements for the year ended March 31, 2025

4(a) Goodwill

Particulars	(Rs In Crore)
Gross Carrying Amounts	
As at April 1, 2023	36.46
Changes during the year	-
As at March 31, 2024	36.46
Changes during the year	-
As at March 31, 2025	36.46
Accumulated Impairment	
As at April 1, 2023	36.46
Changes during the year	-
As at March 31, 2024	36.46
Changes during the year	-
As at March 31, 2025	36.46
Net Carrying Value	
As at April 1, 2023	-
As at March 31, 2024	-
As at March 31, 2025	-

Impairment

Goodwill is not amortized, instead, it is tested for impairment annually or more frequently if indications of impairment exist. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use or fair value less cost to sell calculations which requires the use of certain assumptions. Considering the outlook of the current situation as stated in note no. 41(d), it has been determined that an impairment would be required to be considered in the financial statements. Accordingly, an impairment of Rs 36.46 crores(March 31, 2024 Rs.36.46 Crore) on goodwill has been provided in the financial statements.

4(b) Intangible Assets

(Rs In Crore)

Particulars	Software	Trademark	Total
Cost			
As at April 1, 2023	7.14	0.03	7.17
Addition	-	-	-
As at March 31, 2024	7.14	0.03	7.17
Addition	0.01	-	0.01
As at March 31, 2025	7.15	0.03	7.18
Amortization and Impairment			
As at April 1, 2023	3.44	0.02	3.46
Amortization for the Year	0.97	-	0.97
As at March 31, 2024	4.41	0.02	4.43
Amortization for the Year	0.80	-	0.80
As at March 31, 2025	5.21	0.02	5.23
Net Block			
As at April 1, 2023	3.70	0.01	3.71
As at March 31, 2024	2.73	0.01	2.74
As at March 31, 2025	1.94	0.01	1.95

Notes to Consolidated Financial Statements for the year ended March 31, 2025**4(c) Right of Use Assets**

(Rs In Crore)

Particulars	Right of Use Assets		
	Premises	Lease Hold Land	Total
Gross Carrying Value			
As at April 1, 2023	5.63	0.96	6.59
Additions	-	-	-
As at March 31, 2024	5.63	0.96	6.59
Additions	3.43	-	3.43
Deduction During the Year	4.33	-	4.33
As at March 31, 2025	4.73	0.96	5.69
Accumulated Amortization			
As at April 1, 2023	4.92	0.07	4.99
Amortization Charged for the Year	0.56	0.01	0.57
As at March 31, 2024	5.48	0.08	5.56
Amortization Charged for the Year	0.67	0.01	0.68
Eliminated on deduction of assets	4.33	-	4.33
As at March 31, 2025	1.82	0.09	1.91
Net Block			
As at April 1, 2023	0.71	0.89	1.60
As at March 31, 2024	0.15	0.88	1.03
As at March 31, 2025	2.91	0.87	3.78

5 Investments in Joint Ventures

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Investment in unquoted Equity Share of Joint Ventures		
- 90,45,127 (March 31, 2024: 90,45,127) Equity Shares of Rs. 10 each of Bhaskarpara Coal Company Limited	9.14	9.11
Add: Profit for the year	0.25	0.03
	9.39	9.14
Less:- Accumulated Impairment on Bhaskarpara Coal Company Limited	(2.13)	(2.13)
Total	7.26	7.01

The group holds an investment in equity shares of Bhaskarpara Coal Company Limited as a joint venture. This joint venture company has incurred heavy losses and is non-operating and therefore the fate of the company is uncertain. Provision for impairment of Rs. 2.13 Crore (March 31, 2024 Rs. 2.13 Crore) in the value of investment in joint ventures namely Bhaskarpara Coal Company Limited is continuing from April 1, 2016.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

Investment		(Rs In Crore)	
Particulars	As at March 31, 2025	As at March 31, 2024	
Non-current-Investment			
Non Trade Investments-Investment in Mutual Funds (Quoted) - (at fair value through profit and loss)			
- 21,503.949 (March 31, 2024: 21,503.949) Units Of Bandhan Sterling Value Fund -Growth - Regular Plan	0.30	0.28	
- 13,027.83 (March 31, 2024: 13,027.83) Units Of Canara Robeco Emerging Equities - Regular Plan Growth	0.30	0.28	
- 49,990 (March 31, 2024: 49,990) Units Of Union Focused Largecap Fund - Regular Plan-Growth	0.11	0.11	
Other unquoted investments in Government Securities (At Amortized Cost)			
- National Saving Certificates	0.01	0.01	
Total Non Current Investment	0.72	0.68	
Current-Investment			
Non Trade Investments-Investment in Mutual Funds (Quoted) - (at fair value through profit and loss)			
- 389.612 (March 31, 2024: 389.612) Units Of HSBC Ultra Short Duration Fund-Regular Growth	0.05	0.05	
Total Current Investment	0.05	0.05	
Aggregate book Value of Investments in unquoted equity shares	9.39	9.14	
Aggregate Value of Investments in Government Security	0.01	0.01	
Aggregate Carrying Value & Book Value of quoted Investments	0.76	0.72	
Aggregate amount of impairment in value of investments in unquoted equity shares	2.13	2.13	

6 Other Financial Assets	(Rs In Crore)	
Particulars	As at March 31, 2025	As at March 31, 2024
Non Current Other Financial Assets		
Unsecured, Considered Good		
Sundry Deposits (Includes Bank Fixed Deposit of Rs.1.74 Crore (March 31, 2024: 2.07 crore) given as EMD)	36.61	32.91
In term deposit accounts (marked as lien against the LC/BG) (remaining maturity more than 12 months)	2.07	8.39
Total Non Current Other Financial Assets	38.68	41.30
Current Other Financial Assets		
Unsecured, Considered Good		
Loan to Employees	0.09	0.14
Interest accrued	1.42	1.43
Total Current Other Financial Assets	1.51	1.57

Notes to Consolidated Financial Statements for the year ended March 31, 2025

7 Other Assets (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Other Non Current Assets		
Unsecured, Considered Good		
Advances for Capital Goods	23.52	33.37
Total Non Current Other Assets	23.52	33.37
Other Current Assets		
Unsecured, Considered Good		
Advances Recoverable In Cash or Kind (Net)	41.90	32.89
Enterprises owned or Significantly influenced by Key Managerial Personnel or their relative	0.14	0.15
Advances to Staff	0.42	0.23
Advance to Suppliers and Other Parties	120.43	129.34
Prepaid Expenses	1.58	4.66
Balance with Revenue Authorities	16.15	19.12
Unsecured, Considered Doubtful		
Advance to Suppliers and Other Parties - Credit Impaired	18.05	18.05
Less : Impairment allowance (allowance for bad and doubtful Advances)	(18.05)	(18.05)
Total	180.62	186.39

Movement of allowance for expected Credit losses (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	18.05	18.05
Movement in Provision For Doubtful Receivable on Advance to suppliers and other Parties	-	-
Balance at end of the year	18.05	18.05

8 Inventories (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
a. Raw Material	227.88	224.36
b. Work-In-Progress	174.84	245.50
c. Finished Goods / Stock in Trade [Including goods in transit of Rs.7.73 Crore (March 31, 2024 Rs.6.81 Crore)]	133.88	91.50
d. Trading Goods	0.30	0.29
e. Stores and Spares [including goods in transit of Rs.0.62 Crore (March 31, 2024 Rs.0.40 Crore)]	55.97	56.02
Total	592.87	617.67

Notes to Consolidated Financial Statements for the year ended March 31, 2025
9 Trade receivables (Refer Note No.37(b)) (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
(A) Trade receivables from other parties		
Secured Considered Good	38.96	50.32
Unsecured Considered Good	208.43	164.01
Unsecured Considered Doubtful- Credit Impaired	58.17	115.16
Less: Allowance for Expected Credit Loss / Doubtful Receivable	(58.17)	(115.16)
(B) Due from Related Parties		
(Unsecured, Considered Good)		
- Enterprises owned or Significantly influenced by key management personnel or their relative	9.68	9.68
Total	257.07	224.01

Movement in expected credit loss allowance (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	115.16	104.15
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	9.17	11.29
Less: Reduction in expected credit loss allowance on trade receivables	66.16	0.28
Balance at end of the year	58.17	115.16

A formal credit policy has been framed and credit facilities are given to customer within the framework of the credit policy. As per credit risk management mechanism, a policy for doubtful debt has been formulated and risk exposure related to receivables are identified based on criteria mentioned in the policy and provided for credit loss allowance.

For ageing of Trade receivable refer note no. 49(a).

10 Cash and Cash Equivalents (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and Cash Equivalents (At Amortized Cost)		
a. Balances with Bank		
- In Current Account	8.40	53.47
b. Cash on hand	0.82	0.55
c. Unpaid CSR Fund	-	1.29
Cash and cash equivalent for the purpose of statement of cash flow	9.22	55.31
Other bank balances		
- Lien balances in Current Account(Refer Note No.35(d) (iii))	34.29	-
- Fixed Deposits with original maturity of more than three months but less than twelve months	27.44	6.18
- Interest accrued but not due	1.31	0.85
Total	63.04	7.03

Notes to Consolidated Financial Statements for the year ended March 31, 2025**11 Current Tax assets**

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Income Tax Asset	13.24	10.21
Total	13.24	10.21

12 Equity share capital

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 01, 2023
Authorized:			
2,50,00,000 (March 31, 2024: 2,50,00,000 and April 1, 2023: 2,50,00,000) Equity Shares of Rs.10/- each	25.00	25.00	25.00
2,50,00,000 (March 31, 2024: 2,50,00,000 and April 1, 2023: 2,50,00,000) 6% Non-Cumulative Redeemable Preference Shares of Rs.10/- each	25.00	25.00	25.00
2,85,90,000 (March 31, 2024: 2,85,90,000 and April 1, 2023: 2,85,90,000) Partially Convertible Partially Redeemable Preference Shares of Rs. 10/- each	28.59	28.59	28.59
	78.59	78.59	78.59
Issued, subscribed and fully paid up:			
(a) Equity Shares			
1,27,42,814 (March 31, 2024 1,27,42,814 and April 1, 2023: 1,27,42,814) Equity Shares of Rs.10/- each Fully paid up	12.74	12.74	12.74
Total	12.74	12.74	12.74

a) Details of reconciliation of the number of equity shares outstanding:

Particulars	As at March 31, 2025		As at March 31, 2023	
	No of shares	(Rs. In Crore)	No of shares	(Rs. In Crore)
Equity Shares :				
At the beginning of the year	1,27,42,814	12.74	1,27,42,814	12.74
Add: Shares issued during the year	-	-	-	-
At the end of the year	1,27,42,814	12.74	1,27,42,814	12.74

b) Rights, preference and restriction attached to Equity Shares

The face value of the Equity shares is Rs 10/- per share . Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year, the Company has not declared any dividend.

The shareholders are not entitled to exercise any voting right either personally or proxy at any meeting of the Company in cases of calls or other sums payable have not been paid.

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

c) Rights, preference and restriction attached to Preference Shares

- The face value of the Preference shares is Rs 10/- per share. The Preference share holder have voting right in their meeting. During the year, the company has not declared any dividend.

- In the event of liquidation of the company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.

d) Rights, preference and restriction attached to Partially Convertible Partially Redeemable Preference Shares (PCPRPS)

- The face value of the PCPRPS is Rs 10/- per share . The preference share holder have voting right in their meeting. During the year, the Company has not declared any dividend.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

- In the event of liquidation of the company, the preference share holders will have priority over equity shares in the payment of dividend and repayment of capital.
- The Equity Shares arising upon conversion of the PCPRPS shall rank pari passu with the existing Equity Shares of the Company in all respects, including dividend.

e) Details of share holders holding more than 5% equity shares in the company

Name of Shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Castleshine PTE Limited	10,00,000	7.85	10,00,000	7.85
Leadhaven PTE Limited	10,00,000	7.85	10,00,000	7.85
Western India speciality Hospital Limited	9,75,000	7.65	9,75,000	7.65
Mr. Shailesh Bhandari {Refer note no.12(g)}	8,48,275	6.66	8,48,275	6.66
Mr. Mukesh Bhandari {Refer note no.12(g)}	8,09,500	6.35	8,09,500	6.35

f) Share holding of the Promoters

Sr. No.	Name of Promoters	Category	As at March 31, 2025		As at March 31, 2024		% Change During the year
			No. of Shares	% of Shares	No. of Shares	% of Shares	
1	Shailesh Bhandari {Refer note no.12(g)}	Promoters	8,48,275	6.66	8,48,275	6.66	-
2	Mukesh Bhandari {Refer note no.12(g)}	Promoters	8,09,500	6.35	8,09,500	6.35	-
3	Ritu Bhandari	Promoters Group	2,15,763	1.69	2,43,025	1.91	(0.21)
4	Nagesh Bhandari	Promoters Group	1,95,470	1.53	2,33,125	1.83	(0.30)
5	Suraj Shailesh Bhandari	Promoters Group	81,100	0.64	81,100	0.64	-
6	Anurag Mukesh Bhandari	Promoters Group	-	-	76,050	0.60	(0.60)
7	Siddharth Mukesh Bhandari	Promoters Group	-	-	65,100	0.51	(0.51)
8	Mukesh Bhanwarlal Bhandari (HUF)	Promoters Group	-	-	60,000	0.47	(0.47)
9	Late Indubala Bhandari	Promoters Group	51,500	0.40	51,500	0.40	-
10	Jyoti Bhandari {Refer note no.12(g)}	Promoters Group	-	-	375	0.00	(0.00)
11	Reema Bhandari {Refer note no.12(g)}	Promoters Group	2,01,800	1.58	275	0.00	1.58
12	Western India Speciality Hospital Limited	Promoters Group	9,75,000	7.65	9,75,000	7.65	-
13	Bhandari Rakesh	NRI-Promoter Group	4,32,320	3.39	5,12,500	4.02	(0.63)
14	Dalal Narendrakumar Babubhai	Promoters Group	-	-	-	-	-
	TOTAL		38,10,728	29.90	39,55,825	31.04	(1.14)

- g) As per the Family Settlement Agreement (FSA) executed amongst Mukesh Bhandari Family and Shailesh Bhandari Family, on March 29, 2025 Mr. Mukesh Bhandari will transfer 8,09,500 Equity shares (representing 6.35%) of Electrotherm (India) Limited to Mr. Shailesh Bhandari, upon fulfilment of terms and conditions of FSA. Further, Mr. Mukesh Bhandari has executed voting agreement and other related documents, in favour of Mr. Shailesh Bhandari, pursuant to said FSA. Further, the mode of transfer of said shares will be off market inter-se transfer. Also, the process of actual transfer of 8,09,500 equity shares from Mr. Mukesh Bhandari to Mr. Shailesh Bhandari will be completed after the said shares of Mr. Mukesh Bhandari are free from attachment / freezing / encumbrance.

Pursuant to the FSA, Mrs. Jyoti Bhandari has executed gift deed on March 29, 2025 for transfer of 2,01,525 Equity shares of the Company, to Mrs. Reema Bhandari, as such, shareholding of Mrs. Reema Bhandari is shown as 2,01,800 Equity share considering 2,01,525 Equity shares of Mrs. Jyoti Bhandari have been transferred to Mrs. Reema Bhandari and shareholding of Mrs. Jyoti Bhandari is shown as '0' (Nil). However, Actual transfer of the said equity shares from Mrs. Jyoti Bhandari to Mrs. Reema Bhandari are under process.

For further details related to FSA refer note no.41

Notes to Consolidated Financial Statements for the year ended March 31, 2025

- h) As per Records of the Company, including its register of Shareholder/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent legal ownership of shares.
- i) The Company has calls in arrears / unpaid calls of Rs. Nil (March 31, 2024: Nil)
- j) Details of Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash. (during 5 years immediately preceding March 31, 2025). Nil

13 Other equity

Particulars	(Rs In Crore)
Capital Reserve	
As at April 1, 2023	158.57
Increase/(decrease) during the Year	-
As at March 31, 2024	158.57
Increase/(decrease) during the Year(Refer note no.(Refer Note 34 (i) & (v))	182.97
As at March 31, 2025	341.54
Securities premium	
As at April 1, 2023	253.79
Increase/(decrease) during the Year	-
As at March 31, 2024	253.79
Increase/(decrease) during the Year	-
As at March 31, 2025	253.79
General Reserves	
As at April 1, 2023	336.19
Increase/(decrease) during the Year	(3.26)
As at March 31, 2024	332.93
Increase/(decrease) during the Year	(3.26)
As at March 31, 2025	329.67
Retained earnings	
As at April 1, 2023	(1,857.50)
Profit for the year	317.33
Other Comprehensive Income/(Loss) (Re-measurement Loss on defined benefit plans)	(2.24)
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2024	(1,539.15)
Profit for the year	442.15
Other Comprehensive Income / (Loss) (Re-measurement Loss on defined benefit plans)	(2.78)
Transfer from General Reserve on Revaluation of Property, Plant & Equipment	3.26
As at March 31, 2025	(1,096.52)
Total Other Equity	
As at April 1, 2023	(1,108.95)
As at March 31, 2024	(793.86)
As at March 31, 2025	(171.52)

- a. **Capital Reserve**
Capital Reserve includes amount of debt reduction and is not available for distribution of profits.
- b. **Securities Premium**
Securities Premium is used to record the premium on issue of shares and is utilized in accordance with the provisions of the Companies Act, 2013.
- c. **General Reserve**
General Reserve is used from time to time to transfer profits to/from Retained Earnings for appropriation purposes including the amount arising due to past revaluation of land and building under previous GAAP. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

d. Retained Earnings

Retained Earnings are the profits / (loss) of the group earned till date and net of appropriations.

14 Borrowings {Refer Note No. 34}

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term Loans from Banks {Refer Note No. (a) & (c) below}		
- Rupee Term Loan	36.41	279.80
Loans from Asset Reconstruction Companies {Refer Note No. (a) & (d) below }		
- Rupee Term Loan	1,246.66	1,456.61
Unsecured		
Loan from:		
- Relative of Key Managerial Personnel	-	0.04
Less: Current Maturity of Long Term Borrowing	(929.81)	(1,129.86)
Total	353.26	606.59

(a) Security given for the loans of the group.

- Rupee Term Loan are secured by first charge by way of Equitable Mortgage of all immovable properties and hypothecation of specified movable assets situated at Vatva, Palodia, Dhank, Samakhiali – Kutch, Chhadawada – Bhachau, Juni Jithardi - Vadodara, Village : Budharmora - Kutch (the assets was auctioned by the Hon'ble Recovery Officer of Debts Recovery Tribunal-1, Ahmedabad in recovery proceedings filed by Bank of Baroda for an amount of Rs. 33.03 Crores and subsequently, during the financial year 2024-25, the same has been registered in favour of auction purchaser) and Fixed Deposits & as second charge on all Stock-in-Trade & Receivables.
- On July 31, 2014 the debt due to Bank of Baroda are declared as NPA by the Bank and the account has been transferred to Bank of Baroda, Asset Recovery Branch, New Delhi and the said loan Secured by First charge on the entire current assets of the subsidiary company-Hans Ispat Limited, both present and future.

(b) Interest Rate on Borrowing and delay payment are as under:-

Name of Lender	Rate of Interest (%)
Edelweiss Asset Reconstruction Company Limited	11% p.a.
Invent Assets Securitization and Reconstruction Private Limited	11% p.a.
Rare Asset Reconstruction Limited (Being assignee of Debts of Dena Bank)	18% p.a.

(c) Company has defaulted in repayment of Instalment due to lenders. Details of the default are as follows:

The group has not paid the instalments and interest due (included in interest accrued in current Other financial liability) and its details is as under. The group has requested respective lenders / ARCs to revise repayment schedule and which is yet to be confirmed by the respective lenders / ARCs.

(Rs. In Crore)

Name of the Lender	Principal	Default Period From
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Punjab National Bank)	2.00	March 2025
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Allahabad Bank)	4.00	March 2025
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank)	183.95	August 2011 onward
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of State Bank of India)*	41.45	December 2019 onward
Bank of Baroda*	20.42	April 2014 onward
State Bank of India	15.99	December 2011 onward
Total	267.81	

*the above amounts are before unadjusted recovery made on account of auction of Rs.33.03 Crores.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(Rs. In Crore)

Name of the Lenders	Interest	Default Period From
Rare Asset Reconstruction Limited (Debt assignee of Indian Overseas Bank (included in Borrowing))	0.01	August 2011 to March 2025
Invent Assets Securitization and Reconstruction Private Limited (Debt assignee of Punjab National Bank, Allahabad Bank)	2.83	March 2025
Rare Asset Reconstruction Limited (Debt assignee of Dena Bank)	3.19	June 2022 to June 2024
Total	6.03	

The default period and the amount of default has been considered from the date of the default of the Installment due but have not been paid as per the latest sanction restructured agreement.

(d) Repayment Schedule Sanction is as under: -

(Rs. In Crore)

Particulars	Due or payable / to be Adjusted with in 1 Year	Payable / to be Adjusted with in 1 - 3 Year	More than 3 Year
Secured			
Term Loans from Banks			
- Rupee Term Loan	36.41	-	-
Loans from Asset Reconstruction Companies			
- Rupee Term Loan	893.40	353.26	-
Unsecured			
Loan from:			
- Relative of Key Managerial Personnel	-	-	-
Total	929.81	353.26	-

(e) Net Debt Reconciliation

(Rs In Crore)

Particulars	Long Term Borrowing	Short Term Borrowing	Interest Expenses
As at April 1, 2023	1,952.02	18.37	84.72
Interest Expenses	-	-	55.23
Outflow	(215.57)	-	(73.25)
As at March 31, 2024	1,736.45	18.37	66.70
Interest Expenses	-	-	42.75
Outflow & Reversal on account of Settlement	(453.34)	-	(102.57)
As at March 31, 2025	1,283.11	18.37	6.88
Total of Long term and Short term Borrowings		1,301.48	
Less:-Unadjusted recovery on account of auction		33.03	
As at March 31, 2025		1,268.45	

- (f) The Group has defaulted in complying with the terms and conditions of settlement entered with the Banks / ARCs as stated in (c) above and as per the settlement terms, in case of default, the agreement stands withdrawn and all the dues & liabilities as per original terms shall be restored. However, the group is in negotiation with the respective lenders for rescheduling / restructuring of the said loan and the group is hopeful for no further liability on the group and therefore, the final amount of liability to be paid is not ascertainable and which has not been accounted for.
- (g) With regard to Outstanding Borrowing amount the impact of reduction in debt due to Settlement with Banker/ARCs, will be given on the final compliance of all the terms and conditions of the settlement terms.
- (h) The Group does not have any foreign Currency borrowing.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

15 Other Financial Liabilities

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current Other Financial Liabilities		
Others*	-	0.02
Total Non Current Other Financial Liabilities	-	0.02
Current Other Financial Liabilities		
Creditors for Capital expenditure (Includes amount payable to MSME of Rs.0.61 Crore (March 31, 2024 Rs 0.56 Crore))	1.69	2.17
Interest accrued and due	6.02	47.51
Interest accrued but not due	0.86	19.19
Unspend CSR	1.96	1.29
Others*	2.63	2.29
Total Current Other Financial Liabilities	13.16	72.45

*Other Includes amount payable as reimbursement of expenses to staff and others.

16 Lease Liability

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current Lease Liability		
Payable to: -		
Others	1.98	-
Total Non Current Lease Liability	1.98	-
Current Lease Liability		
Payable to: -		
Key Managerial Personnel	0.15	0.41
Relative of Key Managerial Personnel	0.31	0.05
Enterprise Owned or Significantly Influence key Managerial Personal	0.37	-
Others	1.04	0.57
Total Current Lease Liability	1.87	1.03

For Net Debt related to Lease liability refer Note No 31(b)

17 Provisions

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current Provisions		
Provision for employee benefits*	29.60	24.58
Total Non Current Provisions	29.60	24.58
Current Provisions		
Provision for employee benefits*	13.29	11.25
Provision for Other	9.52	9.91
Total Current Provisions	22.81	21.16

*Provision for Employee Benefits includes Provision for Leave Encashment, Gratuity and Bonus.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

In pursuance of Ind AS 37 - 'Provisions, contingent liabilities and contingent assets, the provisions required have been incorporated in the books of account in the following manner:

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening balance of warranty	9.91	7.49
Add: Provision recognised during the year	7.25	9.46
Less: Amount utilised during the year	7.64	7.04
Closing balance	9.52	9.91

The group gives warranties for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made at the year end represents the amount of expected cost of meeting such obligations of rectification / replacement based on the historical data available. The timing of the outflows is expected to be within a period of one year.

18 Short Term Borrowings

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured Loan from Banks		
Working Capital Facilities (Refer Note No (a) for security purpose)	18.37	18.37
Current Maturities of Long term borrowings {Refer Note No 14}	929.81	1,129.86
Less :-Unadjusted recovery of acution	(33.03)	-
Unsecured		
Loans repayable on demand from: -		
Key Managerial Personnel	-	0.24
Relative of key management personnel	0.42	0.17
Enterprises owned or Significantly influenced by key management personnel or their relative	1.75	1.75
Other Body Corporates	0.33	0.33
Total	917.65	1,150.72
1,20,00,000 (March 31, 2024: 1,20,00,000) 6 % Non-Cumulative Redeemable Preference Shares Of Rs.10/- each Fully Paid Up, Redeemable At Par.(Refer note no.d)	12.00	12.00
Total	929.65	1,162.72

- (a) Secured by First Pari-passu charge on the entire Property, Plant and Equipment of the group situated at Village : Budharmora - Kutch and personal guarantee of some of the directors of the Group. On July 31, 2014 the debt due to Bank of Baroda are declared as NPA by the Bank and the account has been transferred to Bank of Baroda, Asset Recovery Branch, New Delhi.

First charge on the entire currents assets of the subsidiary company Hans Ispat Limited and Shree Ram Electrocast Limited, both present and future.

- (b) Group has defaulted in repayment of borrowing from the Lenders. Details of default are as follows:-

(Rs. In Crore)

Name of Lenders	Principal	Default From
Bank Of Baroda	6.50	April 2014 onwards
State Bank of India	11.87	December 2011 Onwards
Total	18.37	

- (c) Net Debt Reconciliation of Unsecured Loan

(Rs In Crore)

Particulars	Short Term Borrowings
As at April 1, 2023	2.50
Outflow	(0.01)
As at March 31, 2024	2.49
Outflow	-
As at March 31, 2025	2.49

Notes to Consolidated Financial Statements for the year ended March 31, 2025

- (d) Pursuant to the provisions of Section 80 and other applicable provisions of the Companies Act, 1956, the Holding Company has issued and allotted 1,20,00,000 - 6% Non-Cumulative Redeemable Preference Shares ("NCRPS") of Rs.10/-each in three tranches [i.e. (i) 35,60,000 NCRPS on March 11, 2005, (ii) 44,40,000 NCRPS on April 01, 2005 and (iii) 40,00,000 NCRPS on May 14, 2005) which shall be redeemable at par not earlier than two (2) years but not later than twenty (20) years from the date of allotment (i.e. on or before (i) March 11, 2025, (ii) April 01, 2025 and (iii) May 14, 2025, respectively. Pursuant to Section 55(3) of the Companies Act, 2013 with the requisite consent of preference shareholders and subject to approval of Hon'ble National Company Law Tribunal, the Board of Directors in their meeting held on February 11, 2025, has accorded their consent to issue and allot 1,20,00,000 - 6% Non-Cumulative Redeemable Preference Shares ("NCRPS") of face value of Rs. 10/- each to the existing 6% NCRPS holders, of amount equivalent to the amount of unredeemed Preference Shares of Rs. 12.00 Crore (Rupees Twelve Crore Only) on the same terms of existing 6% NCRPS, in lieu of the unredeemed preference shares and on the issue of such further Redeemable Preference Shares, original unredeemed Preference Shares shall be deemed to have been redeemed. Further, the Company has filed the Company Petition under the provisions of Section 55(3) of the Companies Act, 2013 on March 11, 2025 before Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT"), wherein the Hon'ble NCLT has issued notice and now the same is pending for further consideration. Necessary adjustment with respect to issue of NCRPS will be made upon approval by the Hon'ble NCLT.

19 Trade Payables(Refer Note No 37(b),39(a) and 39(b))

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Total Outstanding dues of Micro and Small Enterprises	69.86	127.29
Total Outstanding dues of creditors other than Micro and Small Enterprises		
Others	375.07	300.12
Dues to Enterprise Owned or Significantly Influenced by Key Managerial Personnel or Their Relative	13.94	0.00
Dues to Key Managerial Personnel	0.10	0.08
Total	458.97	427.49

For ageing of trade payables refer note no 49(b)

Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information received by the group. The group has not received any claim for interest from any supplier as at the balance sheet date. The group has not accrued interest due to parties registered under MSME Act, 2006 and impact of the same is not ascertainable. The management is of the opinion that the amount if any would not be material. Hence, disclosure as per the Micro, Small and Medium Enterprises Act for interest is not required. These facts have been relied upon by the auditors. The disclosures relating to micro and small enterprises is as below:

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Trade Payable	69.86	127.29
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end - Creditors for Capital Goods (Refer Note No 15)	0.61	0.56
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2025**20 Other Current Liabilities**

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Other Current Liabilities		
Advance from Customers (Contract Liabilities)	241.93	280.46
Advance from enterprise owned or significantly influenced by Key Managerial Personnel	0.07	0.01
Other Miscellaneous Liabilities	0.55	0.50
Statutory Dues Payable	23.22	25.39
Total Other Current Liabilities	265.77	306.36

21 Revenue From Operations

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue From Contracts With Customers		
Sales of Products	4,087.49	4,248.06
Revenue From Service Contracts	22.90	12.11
Total Revenue from Contracts with Customers	4,110.39	4,260.17
Other Operating Income	4.98	11.33
Total Revenue From Operation	4,115.37	4,271.50
i) Disaggregated revenue Information		
Types of Goods & Services		
(a) Engineering & Technologies Division	1,171.60	1,316.12
(b) Special Steel Division	2,931.83	2,931.87
(c) Electric Vehicle Division	24.91	32.12
(d) Other	-	0.01
(e) Revenue From Service Contracts with Customers	22.90	12.11
Gross Revenue	4,151.24	4,292.23
Less:- Inter segment Revenue	(35.87)	(20.73)
Total Revenue From Operation	4,115.37	4,271.50
India	3,887.81	3,898.47
Outside India	227.56	373.03
Total Revenue From Contracts with Customers	4,115.37	4,271.50

Set Out below is the amount of revenue recognised from:-

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Contract Liability (Advance From Customers) at the beginning of the year	280.47	333.89
Performance obligation satisfied during the Previous year	197.43	241.34

Performance Obligation :-

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Within one Year	1,050.09	1,114.09
More than One Year	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2025
Contract Balances As At:

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Contract Balances		
Trade Receivables	257.07	224.01
Contract Liabilities (Advance from Customers)	242.00	280.47

Reconciliation of the amount of Revenue recognized in the statement of Profit and Loss with the contract price

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue as per Contract Price	4,115.21	4,272.36
Adjustments:-		
Adjustments for Discounts & Rebates	4.82	12.19
Revenue From Contracts with Customers	4,110.39	4,260.17

Revenue from sale of products of Rs 4087.49 Crore (March 31, 2024 Rs. 4248.06 Crore) are recorded at a point of time and those from sale of services of Rs. 22.90 Crore (March 31, 2024 Rs. 12.11 Crore) are recognized over a period of time.

22 Other Income

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Income on :		
- Fixed Deposits	1.89	1.07
- Others	1.31	1.20
Profit on Sale of Units	0.73	-
Foreign Exchange Fluctuation (Net)	2.88	0.70
Profit on Sale / Discard of Property, Plant & Equipments (Net)	-	0.06
Fair Valuation gain/(loss) on Financial Instruments at the fair value through Profit & Loss	0.05	0.19
Miscellaneous Income	1.43	1.43
Total	8.29	4.65

23 Cost of Raw Materials and Components Consumed

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Opening Inventory	224.36	195.41
Add: Purchases & Other Expenses	2,727.09	3,017.58
Total	2,951.45	3,212.99
Less: Inventory Written off	0.01	-
Less: Closing Inventory	227.88	224.36
Cost of Raw Material Consumed	2,723.56	2,988.63
Purchase of Stock in Trade		
Trading Purchase	55.79	-

Notes to Consolidated Financial Statements for the year ended March 31, 2025**24 Changes in Inventories of Finished Goods, Work in Process and Stock in Trade** (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Inventory at the beginning of the year		
- Work In Progress	245.50	236.29
- Stock In Trade	0.29	0.31
- Finished Goods	91.50	85.46
Sub Total	337.29	322.06
Inventory at the end of the Year		
- Work In Progress	174.84	245.50
- Stock In Trade	0.30	0.29
- Finished Goods	133.88	91.50
(Increase)/Decrease In Inventory due to Inventory Written off	0.40	-
Sub Total	309.42	337.29
Total	27.87	(15.23)

25 Employee Benefit Expense (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, Wages, Allowances and Bonus	186.92	150.61
Contribution to Provident and other funds (Refer Note No. 32)	9.16	8.13
Staff Welfare and amenities	2.77	2.22
Total	198.85	160.96

26 Finance Costs (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest Expenses on Bank Loan	0.00	-
Other Interest	0.91	0.50
Interest Expenses on Account of Settlement of Loans with Banks and Asset Reconstruction Companies	42.75	55.23
Interest on Statutory Dues	0.44	3.42
Interest on Lease Liability	0.18	0.06
Other Borrowing Cost & Charges	1.24	0.93
Total	45.52	60.14

27 Depreciation and Amortisation Expense (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation and Impairment of tangible assets (Refer note - 3)	42.91	45.16
Right of Use Asset {Refer Note 4(c)}	0.68	0.57
Amortization of intangible assets {Refer note - 4(b)}	0.80	0.97
Total	44.39	46.70

Notes to Consolidated Financial Statements for the year ended March 31, 2025
28 Other Expenses

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Power and Fuel	150.17	141.35
Consumption of Stores & Spares	197.63	200.17
Labour & Job Charges	112.54	108.62
Machinery Repairs	8.81	2.75
Building Repairs	1.74	0.98
Other Repairs	8.13	6.91
Water Charges	9.35	9.70
Hire-Lease-Rent Charges	14.79	15.83
Rates & Taxes	2.99	3.42
Insurance Premium (Net)	6.40	6.55
Postage Telegram & Telephone Expenses	1.59	1.45
Conveyance Expenses	1.26	1.02
Travelling Expenses	11.90	10.18
Printing and Stationery	0.30	0.40
Vehicle Expenses	0.82	0.96
Security Expenses	2.86	2.66
CSR Activity (Refer Note No 46)	2.67	0.48
Subscription & Membership	0.25	0.11
Net Sundry Balances Written Off	64.98	2.04
Net Provision For Expected credit loss for trade receivable	(56.96)	11.01
Auditors' Remuneration:		
- Audit Fees	0.25	0.25
- Limited Review	0.03	0.03
- Certificate	0.01	0.04
Legal and Professional Charges	11.80	10.98
Warranty Expenses	7.25	9.46
Guest House Expenses	1.36	1.38
Miscellaneous Expenses	7.59	4.64
Donation	0.49	0.43
Advertisement & Sales Promotion	18.71	24.43
Commission	18.27	24.51
Freight Outward and other Expenses (Net)	129.58	114.69
Director Sitting fees	0.23	0.22
Total	737.79	717.65

29 Exceptional Item

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Reversal of Interest	106.78	
Profit on Sale through Auction of Property Plant and Equipment	17.22	-
Inventory Wirtten off	(4.13)	-
Total	119.87	-

Notes to Consolidated Financial Statements for the year ended March 31, 2025**30 Income Tax****a Component of Income tax**

(Rs In Crore)

The Major component of income tax expense for the year ended March 31, 2025 & March 31, 2024 are:	Year ended March 31, 2025	Year ended March 31, 2024
Current Tax		
Current Income Tax	-	-
Deferred Tax		
Deferred Tax Expenses/(Benefit)	(32.14)	-
Tax in Respect of earlier years	-	-
Income tax expense reported in the Statement of Profit & Loss	(32.14)	-
Other Comprehensive Income (OCI)		
Deferred tax related to items recognized in OCI during the year	-	-
Re-measurement loss on defined benefit Plans	-	-
Deferred Tax credited to OCI	-	-

b Reconciliation of current tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2025 & March 31, 2024:

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Accounting profit before tax	409.76	317.30
Enacted income tax rate in India applicable to the company	25.17%	25.17%
Tax using the Company's domestic tax rate	103.14	79.86
Tax effects of:		
Income Tax allowances	(79.62)	(33.18)
Non-Deductible expenses	36.56	38.07
Unsuad Tax Loss allowance	(58.77)	(84.53)
Loss and Unabsorbed Depreciation of the Current Year to be Carried forward	-	0.15
Others	(1.31)	(0.37)
At the effective income tax rate of March 31, 2025 is Nil% (March 31, 2024 is Nil%)	-	-

c Details of carry forward losses and unused credit

The Group has Unabsorbed depreciation which can be carried forward indefinitely and business loss which can be carried forward for a period of 8 years from the year in which losses arose. The group has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amendments) Ordinance 2019.

d Deferred Tax**Movement in deferred tax Assets (net) for the year ended March 31, 2025**

(Rs In Crore)

Particulars	Opening Balance As at April 01, 2024	Recognized in Statement Profit & Loss Account	Closing Balance as at March 31, 2025
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	37.61	(9.01)	28.60
Other adjustments	-	0.11	0.11
Total	37.61	(8.90)	28.71
Tax effect of items constituting deferred tax assets			
Asset on expenses allowed in year of payment	33.17	(14.87)	18.30
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws*	73.83	(58.23)	15.60
Lease Loan Liability	0.26	0.71	0.97
Other adjustments	57.91	(22.42)	35.49
Total	165.17	(94.81)	70.36
Net Deferred Tax Assets	127.56	(85.91)	41.65

Notes to Consolidated Financial Statements for the year ended March 31, 2025

Breakup of Net Deferred tax Assets

Particulars	Closing Balance as at March 31, 2025
Net Deferred Tax assets of Subsidiary Company Not recognized in the Financial statement [@]	9.51
Net Deferred Tax assets of Holding Company recognized in the Financial statement	32.14
Total	41.65

Movement in deferred tax Assets (net) for the year ended March 31, 2024

(Rs In Crore)

Particulars	Opening Balance As at April 01, 2023	To be Recognized in Statement of Profit & Loss Account	Closing Balance as at March 31, 2024
Tax effect of items constituting deferred tax liabilities :			
Property, plant and equipment	25.13	12.48	37.61
Lease Loan Liability	0.05	(0.05)	-
Total	25.18	12.43	37.61
Tax effect of items constituting deferred tax assets			
Asset on expenses allowed in year of payment	29.13	4.04	33.17
Unabsorbed Depreciation / Carried Forward Losses under Tax Laws *	164.66	(90.83)	73.83
Lease Loan Liability	0.38	(0.12)	0.26
Other adjustments	52.65	5.26	57.91
Total	246.82	(81.65)	165.17
Net Deferred Tax Assets[@]	221.64	(94.08)	127.56

[@]Net Deferred tax assets have not been recognized, as it is not probable that sufficient taxable income will be available in the future against which such deferred tax assets can be realized in the normal course of business of the group.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

*DTA on unabsorbed depreciation has been computed on the basis of assumption that the same is available for set off against the future profit as the management is hopeful that the Income tax Assessment order refer in note no 31(a)(v) & (xi) will be decided in favour of the group.

31 Contingent Liabilities and Other Commitments

(a) Claims against the Group not acknowledged as debts towards:

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
i) VAT & CST	29.15	29.15
ii) Service Tax	1.84	1.84
iii) Custom Duty	8.12	8.12
iv) Excise Duty	341.88	341.88
v) Income Tax	4.87	10.69
vi) Goods and Service Tax	1.45	2.13
vii) Guarantees / Counter Guarantees	20.33	9.43
viii) Amount Payable to supplier of Creditors (Refer Note (iii) Below)	1.03	1.03

Notes to Consolidated Financial Statements for the year ended March 31, 2025

- ix) There was proceedings of Inspection & Search by the State Goods and Service tax authorities, at the various places of the company and its subsidiary Company Hans Ispat Limited, during January 18, 2021 to February 3, 2021 and during the course of said proceedings, as determined by the authorities on various points, the group has voluntarily paid total amount of Rs 10.74 Crore towards tax, Interest and Penalty, on February 3, 2021. The group has accounted Rs 7.86 Crore as expenses and Rs 2.88 Crore has been shown as recovery from suppliers. In the opinion of the Group, there will not be any further additional liability with regard to said proceedings. Thereafter, certain other documents as informed by GST authorities, related to the holding company has been seized and verification of the same is in process by the said authorities.
- x) Claims against the Group not acknowledged as debts amounting to Rs. 1.05 Crore (As at March 31, 2024: Rs.1.11 Crore), are pending before various courts, authorities, arbitration, Consumer Dispute Redressal Forum etc.
- xi) During the year ended as at March 31, 2024, the holding Company has received the assessment order for the Assessment Year 2016-17 from the income tax department where in addition of Rs 662.01 Crore has been made. Against the said addition, set off of the Carried Forward unabsorbed Business Loss and Depreciation has been given. The company has filed an appeal before the higher authority and the management is hopeful that the matter will be decided in the favour of the company.

Note:-

- i. Future cash flows in respect of above, if any, is determinable only on receipt of judgment/ decisions pending with relevant authorities.
- ii. The above amounts are without the amount involved in the appeal preferred by the Department, if any, and further applicable interest on the demand. The above amounts are after payment of tax under protest and adjustment of refund and has been shown as advances / Balance with Revenue Authority.
- iii. In Case of Subsidiary Company Hans Ispat Limited- M/s Krishna Fuels, a supplier of scrap has filed a Civil Suit in the year 2009 before the Court of Principal Senior Civil Judge, Gandhidham against the Company for recovery of Rs. 1.03 Crore (Principal outstanding amount of Rs. 0.84 Crore and Interest thereon). Thereafter, the matter was transferred to the Hon'ble Commercial Court, Rajkot and the Hon'ble Commercial Court, Rajkot has ex-parte passed an order dated December 23, 2017 for decree amount of Rs. 0.84 Crore and interest at the rate of 8% per annum and costs. The company came to know about the abovesaid facts when the company was served with Commercial Execution Petition No. 2/2018 before the Commercial Court at Rajkot in March, 2018. The company has filed appeal before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court vide order dated July 30, 2018 quashed and set aside the order of Hon'ble Commercial Court and remitted the matter to Hon'ble Commercial Court, Rajkot for fresh decision. Thereafter, the matter was pending before Hon'ble Commercial Court, Rajkot. Subsequently, in June, 2019, the matter was transferred to Civil Court, Gandhidham and it is pending for further hearing.
- iv. It is learnt that the with regard to the Demand of Rs 0.51 Crore of Income Tax in the Subsidiary Company Shree Ram Electrocast Limited, Hon'ble ITAT has passed the order and "Order giving effect of the ITAT order" has not been received by the group and therefore the exact amount is subject to the said order and its accounting in the books of accounts.
- v. During the financial year ended on March 31, 2019, Goods and Service Tax Department of Maharashtra has re-determined Value Added Tax liability (including interest and penalty) of Rs. 6.28 Crore for the financial year 2009-10 and Rs. 23.93 Crore for the financial year 2010-11 after adjustment of Rs. 4.00 Crore paid by the holding Company under protest. The Holding Company has paid Rs 1.07 Crore during the year ended as at March 31, 2020 and have filed an appeal before the Deputy Commissioner of State Tax, Mumbai. On account of the said order presently the liability of the Holding Company is of Rs. 29.15 Crore (March 31, 2024: Rs. 29.15 Crore). The provision for impugned disputed tax liability has not been made for as the Holding Company is hopeful of matter being decided in its favor by appellate authority.

(b) Lease

The Group leasing arrangements are for premises, these ranges between 5 months to 5 years and are usually renewable on mutually agreed terms.

(i) Lease liabilities as at March 31, 2024

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current Lease Liabilities	1.87	1.03
Non-Current Lease Liabilities	1.98	-
Total	3.85	1.03

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(ii) The following is the movement in the lease liability for the year ended March 31, 2025 (Rs In Crore)

Particulars	Amount
As at April 01, 2023	1.54
Additions	-
Finance Cost Accrued during the year	0.06
Payment / write back of lease Liabilities	0.57
As at March 31, 2024	1.03
Additions	3.43
Finance Cost Accrued during the year	0.18
Payment of lease Liabilities	0.79
As at March 31, 2025	3.85

(iii) The following are the expenses recognised in statement of profit and loss (Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation expenses of Right of use assets	0.68	0.57
Interest Expenses on Lease Liability	0.18	0.06
Total Expenses	0.86	0.63

(iv) Short Term Lease

- (a) The Group has certain operating leases for office premises (short term leases) and low value lease. Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties. Rental expenses of Rs 3.04Crore (March 31, 2024: Rs 3.35 Crore) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

(v) Leases liabilities

- (a) The group has taken industrial premises, residential building, etc. under various lease agreements and its breakup for future rent payable by the group is under:-

(Rs In Crore)

Contractual maturities of lease liabilities on an undiscounted basis	Year ended March 31, 2025	Year ended March 31, 2024
Within one year	1.35	0.21
After one year but not more than five years	2.16	-

- (b) The Group has taken certain land on lease for factory purposes. Since these are entirely prepaid, the Group does not have any future lease liability towards the same.

(c) Commitments

(Rs In Crore)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Estimated amount of contracts remaining to be executed on capital account (net off advances) and not provided for	158.44	183.09

32 Employee benefit obligations

The group has classified the various employee benefits provided to employees as under:

I Defined Contribution Plans

During the year, the Group has recognized the following amounts in the Statement of Profit and Loss—

(Rs In Crore)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employers' Contribution to Provident Fund (including contribution to Employees' Pension Scheme 1995)	9.16	8.13

Notes to Consolidated Financial Statements for the year ended March 31, 2025**II Defined Benefit Plans**

The Group operates gratuity plan in the nature of defined benefit plan wherein every employee is entitled to the benefit as per scheme of the Group, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service. The gratuity plan is governed by the payment of Gratuity Act, 1972. Group's Engineering & Technologies and Electric Vehicle Division having a gratuity plan is funded with Life Insurance Corporation of India and HDFC Bank while Special Steel Division is not maintaining such fund in any gratuity scheme. The subsidiary companies, are not having any employee as on March 31, 2025 and accordingly provision for gratuity is not required to be made during the year.

(Rs In Crore)

Defined Benefit Plans	As at March 31, 2025	As at March 31, 2024
Gratuity		
Current	5.52	4.64
Non-Current	23.63	19.60
Total	29.15	24.24

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount Rate & Expected Rate of Return on Plan Asstes	refer note*	refer note*
Salary escalation rate	6% p.a.	6% p.a.
Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Attrition rate	refer note**	refer note**

Note

*Discounting rate in Special Steel Division is 6.65% (Previous year 7.19%) and in Engineering & Technologies and Electric Vehicle Division 6.89% (Previous year 7.21%)

**Attrition rate in Special Steel Division is 10% (Previous year 10%) and in Engineering & Technologies and Electric Vehicle Division 2% (Previous year 2%)

32.1 Gratuity

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

(a) **Funded Plan**

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2023	14.65	(4.48)	10.17
Current service cost	0.91	-	0.91
Interest expense/(income)	1.06	(0.30)	0.76
Total amount recognized in Profit or Loss	1.97	(0.30)	1.67
Return on Plan Assets, Excluding Interest Income	-	(0.04)	(0.04)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.13	-	1.13
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.42	-	0.42
Total amount recognized in Other Comprehensive Income	1.55	(0.04)	1.51
Benefit paid directly by the Employer	(1.21)	-	(1.21)
March 31, 2024	16.96	(4.82)	12.14

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2024	16.96	(4.82)	12.14
Current service cost	1.24	-	1.24
Interest expense/(income)	1.20	(0.33)	0.87
Total amount recognized in Profit or Loss	2.44	(0.33)	2.11
Return on Plan Assets, Excluding Interest Income	-	(0.02)	(0.02)
Actuarial (Gains)/Losses on Obligations - Due to Experience	1.25	-	1.25
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.73	-	0.73
Total amount recognized in Other Comprehensive Income	1.98	(0.02)	1.96
Net Liability transferred out	(0.06)	-	(0.06)
Benefit paid directly by the Employer	(0.99)	-	(0.99)
March 31, 2025	20.33	(5.17)	15.16

(Rs In Crore)

Categories of Assets	As at March 31, 2025	As at March 31, 2024
Life Insurance Corporation of India	2.24	2.08
HDFC Bank	2.93	2.74
Total	5.17	4.82

(b) Non-Funded Plan

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2023	10.75	-	10.75
Current Service Cost	1.03	-	1.03
Interest expense/(income)	0.79	-	0.79
Total amount recognized in Profit or Loss	1.82	-	1.82
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.59	-	0.59
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.14	-	0.14
Total amount recognized in Other Comprehensive Income	0.73	-	0.73
Benefit Paid Directly by the Employer	(1.25)	-	(1.25)
March 31, 2024	12.05	-	12.05

(Rs In Crore)

Particulars	Present value of obligation (A)	Fair value of plan assets (B)	Net amount (A-B)
April 1, 2024	12.05	-	12.05
Current service cost	1.21	-	1.21
Interest expense/(income)	0.87	-	0.87
Total amount recognized in Profit or Loss	2.08	-	2.08
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.40	-	0.40
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.42	-	0.42
Total amount recognized in Other Comprehensive Income	0.82	-	0.82
Net Liability transferred in	0.06	-	0.06
Benefit Paid Directly by the Employer	(1.02)	-	(1.02)
March 31, 2025	13.99	-	13.99

Notes to Consolidated Financial Statements for the year ended March 31, 2025

ii) The net liability disclosed above relates to plans are as follows: (Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Funded Plan		
- Present value of funded obligation	20.33	16.96
- Fair value of plan assets	(5.17)	(4.82)
(Surplus) / Shortfall of funded plan	15.16	12.14
Unfunded Plan		
- Present value of funded obligation	13.99	12.05
- Fair value of plan assets	-	-
(Surplus) / Shortfall of unfunded plan	13.99	12.05
Group Company as a Whole		
- Present value of funded and unfunded obligation	34.32	29.01
- Fair value of plan assets	(5.17)	(4.82)
(Surplus) / Shortfall of plan	29.15	24.19

iii) Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is: (Rs In Crore)

Assumption	Impact on defined benefit obligation	
	March 31, 2025	March 31, 2024
Discount rate		
1.0% increase	(2.47)	(2.08)
1.0% decrease	2.87	2.42
Future salary increase		
1.0% increase	2.49	2.18
1.0% decrease	(2.32)	(2.02)
Rate of Employee Turnover		
1.0% increase	0.17	0.22
1.0% decrease	(0.20)	(0.25)

- The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

iv) Maturity Analysis of benefits payable

Projected benefits payable in future years from the date of reporting:

(Rs In Crore)

From the Fund	March 31, 2025	March 31, 2024
1 st Following Year	3.50	2.60
2 nd Following Year	0.67	0.88
3 rd Following Year	1.35	1.00
4 th Following Year	1.39	1.15
5 th Following Year	0.84	1.24
Sum of Years 6 to 10	6.27	5.61
Sum of Years 11 and above	31.62	27.56

From the Employer	March 31, 2025	March 31, 2024
1 st Following Year	1.95	1.68
2 nd Following Year	1.38	1.24
3 rd Following Year	1.55	1.23
4 th Following Year	1.46	1.31
5 th Following Year	1.39	1.31
Sum of Years 6 to 10	5.83	5.30
Sum of Years 11 and above	8.82	8.11

Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

32.2 Risks associated with defined benefit plan:

Gratuity is a defined benefit plan and group is exposed to the Following Risks:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of assets.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The details related to gratuity is on the basis of the certificate issued by the actuarial valuer.

Notes to Consolidated Financial Statements for the year ended March 31, 2025**33 EARNINGS PER SHARES (EPS):****i) Basic and diluted before exceptional item**

Particulars		2024-25	2023-24
Profit for the year	(Rs in Crore)	322.28	317.33
Weighted average no of shares for the earning per share computation for basic and diluted	(In Numbers)	1,27,42,814	1,27,42,814
Earning per share (basic & diluted)	(In Rs.)	252.97	249.08
Nominal value of shares	(In Rs.)	10.00	10.00

ii) Basic and diluted after exceptional item

Particulars		2024-25	2023-24
Profit for the year	(Rs in Crore)	442.15	317.33
Weighted average no of shares for the earning per share computation for basic and diluted	(In Numbers)	1,27,42,814	1,27,42,814
Earning per share (basic & diluted)	(In Rs.)	347.06	249.08
Nominal value of shares	(In Rs.)	10.00	10.00

34 Default in repayment of loans, its settlement terms and Accounting Treatment

The information / details as provided in the Financial Statements are for the disclosure purpose only as per the applicable Ind Accounting Standards ("Ind AS") without prejudice to the rights of the Company and without any acknowledgement of the debts / liabilities of the Group under the applicable laws.

Holding Company: Electrotherm (India) Limited**(i) Central Bank of India**

The Holding Company has defaulted in repayment of the loan and interest thereon taken from Central Bank of India in March 2012 of Rs. 436.13 Crore. The Holding company on June 29, 2022 has accepted the compromise / One Time Settlement (OTS) letter of Central Bank of India dated June 28, 2022 for their outstanding loan/credit facility. As per the settlement terms and agreement, the Holding company has paid the entire settlement amount along with interest there on. On compliance with the terms and conditions of the settlement with Central Bank of India and upon issuance of the 'No Due Letter' dated February 7, 2025, the Holding Company has recognized a total reduction in debt amounting to Rs 211.13 Crore. Of this amount, Rs 158.83 Crore has been credited to the Capital Reserve and Rs 52.30 Crore has been recognized under Exceptional Items in the Statement of Profit and Loss.

(ii) Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank)

- (a) The Holding Company has defaulted in repayment of loan of Rs 183.96 Crore (after adjustment of repayment of Rs 10.05 Crore paid during the year ended as at March 31, 2020 and Rs.6 Core paid during year ended as at March 31, 2024 as upfront payment towards commitment to settlement) (Principal of Rs. 189.95 Crore and Interest of Rs. 0.01 Crore) in August 2011. Indian Overseas Bank has assigned its debts to Rare Asset Reconstruction Limited on September 28, 2017. The holding Company is in the process of entering into a settlement agreement with Rare Asset Reconstruction Limited.
- (b) The Holding Company was informed vide letter dated October 12, 2017 of Indian Overseas Bank, that the bank has assigned debts to Rare Asset Reconstruction Limited. However considering pending settlement, the outstanding loan amount is treated as current maturities of long term borrowings.

(iii) Rare Asset Reconstruction Limited (being assignee of Debts of Dena Bank)

- (a) The Holding Company has defaulted in repayment of loan of Rs 51.44 Crore (Principal of Rs 51.44 Crore) in September 2011. The bank has assigned this loan to Rare Asset Reconstruction Limited. The Holding Company has entered into a settlement agreement with Rare Asset Reconstruction Limited for the repayment of loan on June 28, 2018. As per the settlement agreement, the Holding Company has agreed to repay the loan by March 15, 2022. The Holding Company has again defaulted in repayment of loan of the instalment falling due from September 2021 till March 15, 2022 and interest. During the financial year ended March 31, 2025 the Holding Company has paid the entire settled Principal amounts due to Rare Asset Reconstruction Limited. The Holding Company had been in negotiations with the said lender regarding the outstanding interest amounting to Rs 5.69 crore. During the year ended March 31, 2025, the Holding Company made a partial payment of Rs 2.50 crore towards this interest. Consequently, there is a default in payment of the remaining

Notes to Consolidated Financial Statements for the year ended March 31, 2025

interest of Rs 3.19 crore, pertaining to the period from June 2022 to June 2024 and which had been subsequently fully paid by the Holding Company.

- (b) The repayment of debt to Rare Asset Reconstruction Limited, up to the balance sheet date of Rs. 28.00 Crore (March 31, 2024 is Rs. 23.00 Crore) has been adjusted against the total outstanding loan liability.
 - (c) If all the terms and conditions of the settlement are fully complied there will be reduction of debt by Rs. 23.44 Crore.
- (iv) Edelweiss Asset Reconstruction Company Limited (being debt assignee of Bank of India, Bank of Baroda, State Bank of India, Canara Bank and State Bank of Travancore)**
- (a) The Holding Company has defaulted in repayment of the loan from Bank of India in December 2012 of Rs. 628.04 Crore (Principal of Rs. 628.04 Crore), Bank of Baroda in September 2012 of Rs. 31.23 Crore (Principal of Rs. 31.23 Crore), Canara Bank in September 2012 of Rs. 232.97 Crore (Principal of Rs. 190.18 Crore and Interest of Rs. 42.79 Crore), State Bank of India in December 2011 of Rs. 323.27 Crore (Principal of Rs. 323.27 Crore) and State Bank of Travancore in September 2011 of Rs. 91.98 Crore (Principal of Rs. 85.04 Crore and Interest of Rs. 6.94 Crore). All these loans were assigned to Edelweiss Asset Reconstruction Company Limited. The Holding Company entered into a settlement agreement with Edelweiss Asset Reconstruction Company Limited on March 10, 2015. As per the settlement agreement, the Holding Company had agreed to repay the loan by March 2023. However, the Holding Company has again defaulted in repayment of the instalment of the loan falling due from December 2020 till March 2023 and interest thereupon. Based on the proposal of the Holding Company, Edelweiss Asset Reconstruction Company Limited has approved the restructuring of the outstanding due on November 3, 2023, wherein the Holding Company is required to pay total amount of Rs 391 Crore, through 28 installments (from August 31, 2023 to March 15, 2026) along with Interest @ 11% p.a. and default Interest @ 7% p.a. and to comply with other terms and conditions.
 - (b) The Management of the Holding Company is of the opinion that Fixed Deposit of Rs. 12.45 Crore appropriated by Bank of Baroda will be adjusted against the outstanding liability payable to Edelweiss Asset Reconstruction Company Limited, at the time of last installment.

The Holding Company has filed a Special Civil Application ("SCA") before the Hon'ble Gujarat High Court to return back Rs. 12.45 crore to the Holding Company's bank account which was adjusted against the outstanding loan. The said petition is admitted and is pending for further hearing.
 - (c) The amount of repayment of debt to Edelweiss Asset Reconstruction Company Limited, up to the balance sheet date of Rs. 672.35 Crore (March 31, 2024 is Rs. 528.34 Crore) has been adjusted against the total outstanding loan liability.
 - (d) If all the terms and conditions of settlement are fully complied upto March 2026, there will be reduction in debt by Rs. 403.55 Crore.
- (v) Invent Assets Securitization and Reconstruction Private Limited (being assignee of debts of Oriental Bank of Commerce, Punjab National Bank and Allahabad Bank)**
- (a) The Holding Company has defaulted in repayment of the loan from Oriental Bank of Commerce in June 2012 of Rs. 55.19 Crore, Punjab National Bank in October 2011 of Rs. 184.69 Crore (Principal amount of Rs. 184.69 Crore) and Allahabad Bank in July 2012 of Rs. 283.62 Crore (Principal of Rs. 278.22 Crore and interest of Rs. 5.40 Crore). All these loans were assigned to Invent Assets Securitization and Reconstruction Private Limited ("Invent ARC"). The Holding Company entered into a settlement terms with Invent ARC in August 2015 for debts of Oriental Bank of Commerce and in July 2016 for debts of Allahabad Bank and Punjab National Bank. On June 18, 2019, the settlement terms were revised where in the last date of repayment further extended up to June 2023 / December 2023. However, the Holding Company has again defaulted in repayment of the instalment. Based on the request of the Holding Company, Invent ARC has approved further revised repayment schedule on May 31, 2024 for the payment of outstanding settlement dues with interest @11% p.a.
 - (b) As per the terms of settlement, the Holding Company had paid the entire settlement amount of Rs. 18.50 Crores along with interest of Rs. 0.49 Crores for the debt originally owed to Oriental Bank of Commerce (now merged with Punjab National Bank) assigned to Invent ARC by March 31, 2025 and Invent ARC has issued No Due Certificate dated April 7, 2025. Upon compliance with all the terms and conditions of the settlement, a total reduction in debt amounting to Rs.36.69 Crores has been recognized. Of this, Rs 24.14 Crores has been credited to Capital Reserve, and Rs 12.55 Crores has been recognized under Exceptional Items in the Statement of Profit and Loss.
 - (c) The amount of repayment of debt to Invent Assets Securitization and Reconstruction Private Limited (being assignee of debts of Punjab National Bank and Allahabad Bank), up to the balance sheet date of Rs. 77.06 Crore (March 31, 2024 is Rs. 59.06 Crore) has been adjusted against the total outstanding loan liability. If all the terms and conditions of the settlements are fully complied, there would be a reduction in debt by Rs. 288.32 Crore.

Notes to Consolidated Financial Statements for the year ended March 31, 2025**In Subsidiary Company: Hans Ispat Limited****(vi) Invent Assets Securitization & Reconstruction Private Limited (Assigned of State Bank of India)**

The subsidiary company has been in default of its loan repayment obligations since December 2019. Invent Assets Securitisation & Reconstruction Private Limited (Invent ARC), the lender, revoked the earlier settlement agreement on September 16, 2021, due to non-compliance with the agreed terms. Subsequently, Invent ARC has initiated recovery proceedings for an outstanding amount of Rs 122.28 crores before the Hon'ble Debts Recovery Tribunal (ORT), Ahmedabad. The matter is currently pending for adjudication.

(vii) Bank of Baroda

The Subsidiary company has defaulted in repaying the loan from April 2014 aggregating to Rs 26.92 Crore (as at March 31, 2024 of Rs 26.92 Crore). On July 31, 2014 the debt due to Bank of Baroda are declared as NPA by the Bank and the account has been transferred to Bank of Baroda, Asset Recovery Branch, New Delhi.

In Subsidiary Company: Shree Ram Electro Cast Limited**(viii) State Bank of India**

The Subsidiary company has defaulted in repaying the corporate loan from January 2012, Working Capital Term Loan from April 2012 and Cash Credit from December 2011 aggregating to Rs 27.86 Crore (as at March 31, 2023 of Rs 27.86 Crore).

35 Details of cases of recovery / other proceedings by the Lenders**Holding Company: Electrotherm (India) Limited****(a) Cases before Debts Recovery Tribunal (DRT)**

- (i) Central Bank of India has filed Original Application against the Holding Company & its guarantors (Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari) before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide judgement dated October 9, 2018 allowed the original application filed by the Bank and issued recovery certificate against the Holding Company and guarantors to the tune of Rs. 577.89 Crores and future interest on the amount due @10% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties and for valuation of the said attached properties. Further as per the terms of settlement with Central Bank of India dated June 28, 2022, on payment of the settlement amount along with interest, Central Bank of India has issued No Due Letter dated February 7, 2025 and as no claims of Central Bank of India remains to be satisfied, the Hon'ble Recovery Officer has disposed / closed the recovery proceedings by order dated February 28, 2025.
- (ii) Rare Asset Reconstruction Limited (being assignee of debts of Indian Overseas Bank) ("Rare ARC") had filed Original Application against the Company & its guarantors Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari before the Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The Hon'ble DRT vide judgment dated September 20, 2018 allowed the original application filed by the Bank / Financial Institution and issued recovery certificate against the Holding Company and Guarantors to the tune of Rs. 315.64 Crore and future interest on the amount due @12.75% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. The Hon'ble Recovery Officer of the DRT has initiated recovery proceedings and passed order / issued warrant for attachment of hypothecated / mortgaged properties. The Hon'ble Recovery Officer has passed order for release of Rs. 10 Crores from the account of holding company with Standard Chartered Bank to Rare ARC, sale of shares of the guarantors and payment of Rs. 0.05 Crores by Mr. Avinash Bhandari for non-disclosure of assets to be adjusted towards the dues. Further action / hearing is pending before Hon'ble Recovery Officer.
- (iii) In view of settlement / consent terms filed with DRT, the Original Application filed by Rare Asset Reconstruction Limited (being assignee of debts of Dena Bank) has been disposed on October 15, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT were being adjourned. Thereafter, the Demand Notice dated August 3, 2021 is issued by Recovery Officer and further action / hearing is pending before Hon'ble Recovery Officer.
- (iv) In view of settlement / consent terms filed with DRT or otherwise after completion of pleadings and hearing, the Original Application filed by Invent Assets Securitization and Reconstruction Private Limited (being assignee of debts of Allahabad Bank) has been disposed on March 21, 2018 and the recovery proceedings by the Recovery Officer of the Hon'ble DRT is being adjourned.

(b) Willful Defaulter

- (i) Central Bank of India has declared the holding Company as a willful defaulter on May 29, 2014 for outstanding default amount of Rs. 436.13 Crores and reported the name of Holding Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as willful defaulter.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

- (ii) Dena Bank has declared the Holding Company as a wilful defaulter on March 31, 2016 for outstanding amount of Rs. 51.44 Crores and reported the name of the Holding Company and its directors to the Reserve Bank of India and Credit Information Bureau (India) Limited (CIBIL) as Wilful Defaulter. Rare Asset Reconstruction Limited (being assignee of debts of Dena Bank) has agreed to withdraw the name of the Holding Company and its directors from the defaulter's list on receipt of entire settlement amount.

(c) Central Bureau of Investigation (CBI)

- (i) The Central Bureau of Investigation (CBI) has conducted certain proceedings, on the basis of the complaint filed by Central Bank of India with regard to the utilization of the loan disbursed by Central Bank of India. Central Bureau of Investigation has filed a charge sheet and a CBI Special Case was registered against the Holding Company and its directors i.e. Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari and few officers of Central Bank of India before the Hon'ble CBI Court, Ahmedabad on October 6, 2015 and the matter was pending before the Hon'ble CBI Court for further proceedings. The Directorate of Enforcement, Ahmedabad has filed an application before the Hon'ble CBI Court, Ahmedabad for transfer of CBI Case to the designated court of Prevention of Money Laundering (PMLA). The Hon'ble CBI Court, Ahmedabad by order dated January 24, 2022 allowed the application and by further order dated March 29, 2022 disposed of the case for transfer to PMLA Court. The Principal District Court (PMLA Court) has registered the transferred case as ACB – Special Case No. 15/2022 and the case is now pending for opening by prosecution.
- (ii) Bank of India has filed a complaint dated December 29, 2021 under section 154(1) of the Criminal Procedure Code (Cr.P.C) pertaining to fraud perpetrated by the Holding Company, its directors, unknown public servants and other unknown persons with intent to defraud Bank of India to the tune of Rs. 81.97 Crores, being the amount of difference between the outstanding amount of Rs. 631.97 Crores and assignment amount of Rs. 550 Crores. The Central Bureau of Investigation, Banking Securities Fraud Branch, Mumbai has registered a FIR on December 31, 2021. Central Bureau of Investigation (CBI) carried out the search on January 4, 2022 and seized various documents and now the matter is under investigation. The Company has filed a petition for quashing of FIR before Hon'ble Gujarat High Court in April 2024 and the Hon'ble Gujarat High Court by order dated April 26, 2024 issued notice and notice as to interim relief. The said petition is pending for further hearing.

(d) Directorate of Enforcement (ED)

- (i) In view of the registration of the FIR by the Central Bureau of Investigation related to loan of Central Bank of India for scheduled offences, the Ahmedabad Zonal Office of the Directorate of Enforcement ("ED") has recorded a case under the provisions of the Prevention of Money Laundering Act, 2002 ("PMLA") and during the course of investigation, ED has passed an order dated March 28, 2018 under sub-section (1) of section 5 of the PMLA for provisional attachment of certain properties to the extent of Rs. 179.80 Crores comprising Land having total area of 4,90,621 square meter at Chhadavada and Samakhiyali of Steel Plant, Building and Plant & Machinery for a period of 180 days. Thereafter, a complaint under sub-section (5) of section 5 of the PMLA was filed by ED before the Adjudicating Authority, New Delhi and the Adjudicating Authority, New Delhi vide order dated September 5, 2018 confirmed the attachment of abovesaid properties. The Holding Company has filed an appeal before the Hon'ble Appellate Tribunal, PMLA, New Delhi and the Hon'ble Appellate Tribunal, PMLA, New Delhi vide order dated December 10, 2018 passed an order for maintaining status quo and no coercive action by ED. The ED has filed its reply and the matter is adjourned for filing of rejoinder. The ED has filed an application for vacation of interim order. Edelweiss Asset Reconstruction Company Limited ("Edelweiss ARC"), a secured financial creditor has filed impleadment application in July 2023 to participate in the proceedings, which was allowed on July 9, 2024. Thereafter, the matter was adjourned from time to time for further hearing.
- (ii) The Assistant Director, Directorate of Enforcement, Ahmedabad has filed a Complaint Under Section 45 of the Prevention of Money Laundering Act, 2002 on December 1, 2018 before Principal District Judge, Ahmedabad against the holding company, Mr. Mukesh Bhandari, Mr. Shailesh Bhandari and Mr. Avinash Bhandari under section 3 and 4 of the PMLA related to loan of Central Bank of India. The charge has been framed by the Hon'ble Court and now it is pending at the stage of evidence of prosecution.
- (iii) On January 10, 2025, Directorate of Enforcement (ED), Zonal Office, Ahmedabad has conducted search at the corporate office & factory of the Holding Company situated at Palodia and the residence of Mr. Shailesh Bhandari, Executive Vice Chairman & Promoter of the Holding Company under the provisions of Prevention of Money Laundering Act, 2002 ("PMLA"). During the search, it was informed that the search is being carried out in relation to the registration of the FIR by the Central Bureau of Investigation related to loan of Bank of India for schedule offences and a Enforcement Case Information Report ("ECIR") has been registered by ED on 31.03.2022. ED has passed order under Section 17(1A) of the PMLA for (a) freezing of the balances lying in 39 bank accounts of the Holding Company alongwith interest accrued thereon as on January 10, 2025 and interest accrued subsequently from January 10, 2025 onwards (b) freezing of balances lying in two personal bank accounts of Mr. Shailesh Bhandari, Executive Vice Chairman, alongwith interest

Notes to Consolidated Financial Statements for the year ended March 31, 2025

accrued thereon as on January 11, 2025 and (iii) seized two cars found at the residence premises of Mr. Shailesh Bhandari, Executive Vice Chairman.

The Holding Company and Mr. Shailesh Bhandari, Executive Vice Chairman challenged the action of ED dated 10th / 11th January, 2025 before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court by interim order dated January 29, 2025, till the pendency of the said petitions, *inter alia*, permitted the Holding Company and Mr. Shailesh Bhandari to operate the bank accounts in respect of the amount which is in excess of the amount freezed on January 10 / 11, 2025. Accordingly, an amount of Rs. 34.29 Crores in two bank accounts of the Holding Company and an amount of Rs. 0.83 Crores in one bank account of Mr. Shailesh Bhandari has been lien marked in favour of ED and the said three accounts are being operated for the amount in excess of the lien marked amount and all other bank accounts have been unfreezed by ED. The said petitions are pending before Hon'ble Gujarat High Court for further hearing. ED has further removed the seizure of one car, being owned by third party and the application for use / release of second car is pending before Hon'ble Gujarat High Court.

- (iv) Based on the original application filed by Directorate of Enforcement (ED), Zonal Office, Ahmedabad before Ld. Adjudicating Authority, PMLA, New Delhi related to search conducted on January 10, 2025 and January 11, 2025 for loan of Bank of India, a show cause notice dated February 21, 2025 has been issued to the Holding Company and Mr. Shailesh Bhandari for allowing the retention of frozen accounts and seized vehicle. The Holding Company and Mr. Shailesh Bhandari filed their reply of the said original application and now it is pending for rejoinder and further hearing before the Ld. Adjudicating Authority, PMLA, New Delhi.
- (v) The Holding Company and Mr. Shailesh Bhandari has filed a petition for quashing of Enforcement Case Information Report ("ECIR") registered by ED on March 31, 2022 related to loan of Bank of India before Hon'ble Gujarat High Court in March, 2025 and the Hon'ble Gujarat High Court by order dated March 28, 2025 issued notice to respondents. The said petition is pending for further hearing.

(e) Fraud Classification

- (i) The Holding Company had filed a Special Civil Application ("SCA") against Central Bank of India and Reserve Bank of India for wrongfully declaring the account of the Holding Company as fraud account on November 6, 2013 in breach of principles of natural justice. The said petition was dismissed by the Hon'ble Gujarat High Court. The Holding Company has filed a Letters Patent Appeal (LPA) against the said order. The Hon'ble Gujarat High Court has issued Notice and notice as to interim relief. The Hon'ble Gujarat High Court by interim order dated June 21, 2023 stayed the fraud classification and order passed by Hon'ble single judge. In view of interim order passed by Hon'ble Gujarat High Court and request of the Holding Company, Central Bank of India has removed fraud flagging in the account. The said appeal is pending for further hearing before the Hon'ble Gujarat High Court.
- (ii) The Holding Company had filed a Special Civil Application ("SCA") against Bank of India in July 2023 for wrongfully declaring the account of the Holding Company as fraud account on February 13, 2019 without any intimation and in breach of principles of natural justice. The Hon'ble Gujarat High Court by order dated November 30, 2023 quashed and set aside the action of classifying the account as fraud account and the matter was remitted to the bank leaving a liberty to take fresh steps in accordance with the principles laid down by Hon'ble Apex Court. Bank of India has given a show cause notice and copy of Forensic Audit Report to the Company to make representation / submission. The Holding Company has made a detailed representation / reply. Bank of India has again reclassified the account as fraud by letter dated August 7, 2024. The Holding Company has again filed Special Civil Application before Hon'ble Gujarat High Court against such reclassification of fraud account and the Hon'ble Gujarat High Court by way of ad-interim relief dated September 24, 2024, passed order for no coercive action. The said petition is pending for further hearing.
- (iii) The Holding Company had filed a Special Civil Application ("SCA") against Canara Bank (erstwhile Syndicate Bank) in December 2023 for wrongfully declaring the account of the Holding Company as fraud account on May 4, 2018 without any intimation, in breach of principles of natural justice and despite that the Holding Company has repaid the settled loan amount and have received No Due Certificate from the bank on May 27, 2019. The Hon'ble Gujarat High Court has issued notice on December 11, 2023 and now petition is pending for further hearing.
- (iv) The Holding Company had filed a Special Civil Application ("SCA") against ICICI Bank and Reserve Bank of India in April 2024 for wrongfully declaring the account of the Holding Company as fraud account without any intimation, in breach of principles of natural justice and despite that the Holding Company has repaid the settled loan amount and have received No Due Certificate from the bank on July 4, 2016. The Hon'ble Gujarat High Court has issued notice on April 18, 2024 and ICICI Bank has filed reply and now petition is pending for further hearing.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(f) Case under section 138 of the Negotiable Instruments Act, 1881

Indian Overseas Bank had filed two criminal complaints against the Holding Company and its directors / officers under section 138 of Negotiable Instruments Act, 1881 for dishonor of cheques of Rs. 103.00 Crore issued by the Holding Company and the Holding Company is contesting both the said cases and both the matters are pending for further proceedings before the respective Hon'ble Metropolitan Magistrates, Ahmedabad.

In Subsidiary Company Hans Ispat Limited

(g) High Court

Bank of Baroda had filed Original Application against Company & guarantors (i.e. Mr. Shailesh Bhandari and Mr. Mukesh Bhandari) before Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act 1993. The Hon'ble DRT vide judgement dated April 15, 2019 allowed the original application filed by the Bank of Baroda and for issue of recovery certificate against the Company and guarantors to the tune of Rs. 50.74 Crores and future interest on the amount due @12.00% p.a. with monthly rests from the date of filing of Original Application till the recovery of amount. As per the judgment of the Hon'ble DRT, Ahmedabad, the recovery proceedings had been initiated for e-auction of properties and the properties has been auctioned for the amount of Rs. 33.03 Crores in November, 2021. Based on the application of the auction purchaser, the Hon'ble Recovery Officer by order dated July 18, 2024 authorized the bank officer for execution of sale deed in favour of the auction purchaser, subject to there being no stay from any higher authority and accordingly the sale deed was presented / executed before SRO Anjar for registration on July 24, 2024. During the year, due to auction of land including building and plant & machinery, the Company has booked profit of Rs. 17.22 Crore and has written off inventory of Rs. 4.13 Crore, accordingly net effect of Rs. 13.09 Crore has been shown as exceptional item in the financial statements.

(h) Willfull default

Bank of Baroda has issued a show cause notice to the Company & guarantors / directors for declaring them as willful defaulter. The Company has replied to the said show cause notice. Thereafter, the Company has requested for some other suitable date for hearing before committee and there is no communication in respect of the same. When the Company came to know that the Bank of Baroda has declared the Company and its Directors as willful defaulter and reported the same to Reserve Bank of India / CIBIL, the Company has challenged the said action before the Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court vide order dated August 01, 2017 granted stay on the identification as willful defaulter till the hearing and final disposal of the petition. As per the reply of the Bank, the Bank has declared the Company & guarantors / directors as willful defaulter on February 27, 2017 for the outstanding amount of Rs. 2692.40 Lacs. The Hon'ble Gujarat High Court by judgement dated December 7, 2022 quashed and set aside the action of bank for identifying the account as willful defaulter and subsequent reporting to the RBI / CIBIL and the matter is remanded back to the Identification Committee of the Bank to follow the procedure as prescribed in Master Circular dated July 01, 2015 and to complete the exercise with a period of six months. Thereafter, Bank of Baroda has issued a show cause notice dated June 5, 2023, which was replied by the Company on June 27, 2023.

(i) Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Bank of Baroda had issued notice under section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") on January 15, 2015. The Subsidiary Company has filed its reply to the said notice and Bank of Baroda has issued a rejoinder letter. Thereafter, Bank of Baroda vide letter dated April 16, 2016 issued notice demanding possession of secured assets and the Subsidiary Company has replied to the said possession notice.

In Subsidiary Company-Shree Ram Electro Cast Limited

(j) Debt Recovery Tribunal

State Bank of India has filed Original Application against the Subsidiary Company & Guarantors before the Debt Recovery Tribunal, Bangalore ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Hon'ble DRT vide order dated January 20, 2016 allowed the original application and has issued the recovery certificate against the Subsidiary Company and the Guarantors. The Subsidiary Company and Guarantors have filed review application before DRT and the said review application was disposed of on November 6, 2017 with some observations / remarks. The recovery proceedings are now pending before the Recovery Officer, DRT, Bangalore.

(k) Willfull Default

State Bank of India has issued a show cause notice on October 25, 2016 to the Subsidiary Company & guarantors / directors for declaring them as willful defaulter. The Subsidiary Company has filed its reply to the said show cause notice. After personal hearing before the Identification Committee, State Bank of India vide letter dated October 25, 2018 declared the Subsidiary Company & guarantors / directors as willful defaulter for the outstanding loans amount of Rs. 27.86 Crore.

Notes to Consolidated Financial Statements for the year ended March 31, 2025**36 Non Provision of Interest**

Three loan accounts with banks and Asset Reconstruction Companies (ARCs) that have been classified as non-performing assets (NPAs) i.e. Indian Overseas Bank (which was subsequently assigned to Rare Assets Reconstruction Limited ("Rare ARC")), Bank of Baroda and State Bank of India and for which no settlement agreements have been entered into; and One loan account with Invent Assets Securitisation & Reconstruction Private Limited (IASRPL) (assignee of debts of State Bank of India for Company), which was classified as an NPA and for which the previously agreed settlement agreement has been withdrawn/revoked. Further, the Hon'ble Debt Recovery Tribunal (DRT), has passed judgment against group for recovery along with future interest on the amount due @12.75% p.a. with monthly rests in Indian Overseas Bank, @ 12% p.a. with monthly rests in Bank of Baroda and @ 10.75% with monthly rests in State Bank of India. As per the details available with the group, the amount of unprovided interest, on approximate basis, on the said loans is as under.

(Rs in Crore)

Particular	Upto March 31 2024	Addition upto March 31, 2024 of (IASRPL)	From April 1, 2024 to March 31, 2025	Upto March 31, 2025
Interest on Corporate Loan and working Capital Loan	943.13	97.11	172.41	1212.65

37 Additional Disclosure

- (a) The cost of material consumed includes freight, loading and unloading expenses, inspection fees, commission on purchase, taxes & duties (to the extent of credit not available), rate difference and interest cost on purchase of raw material and ancillary expenses thereof (including reversal of any claim).
- (b) Few accounts of "Trade Receivables", "Trade payables", "Advances from Customer", "Advances Recoverable In Cash or Kind", "Advance to Suppliers and Other Parties" including very old balances are subject to confirmation/ reconciliation/ supporting documents and includes very old non-moving items therefore are subject to necessary adjustments for accounting or re-grouping / classification.
- (c) Account of Receivables / Payables in respect of Goods and Service Tax, Service Tax, CENVAT, and Vat are subject to reconciliation, submission of its return for its claim and/or its Audit/ Assessment/Settlement/ Payment, if any.
- (d) The classification / grouping of items of the accounts are made by the management, based on the available data with the group.
- (e) On account of technicalities involved, the claim of Merchandise Exports from India ("MEIS") will be accounted for as and when the claim will be admissible with the respective authority.
- (f) During the year ended as at March 31, 2022 the business activity of Transmission Line Tower division (TLT) was temporarily suspended in order to evaluate its further business viability. However, till March 31 2025 the operation of the TLT division has not commenced. The management is of the opinion that the carrying value of the Inventory, Property Plant and Equipment and Trade receivables represent net realizable value and therefore no provision for impairment/write off is required to be made.
- (g) During the year, the group has written off bad debts amounting to Rs. 64.96 Crore pertaining to trade receivables from customers, primarily due to disputes, inability to pay, or settlements/recoveries that resulted in partial or no payment. Majority of the Trade receivables balance had been previously provided for under the Expected Credit Loss (ECL) model, and the corresponding ECL provisions have been reversed during the year.
- (h) Audit Log: The Group has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, where audit trail (edit log) facility was enabled, no instance of the audit trail feature being tampered with.
- (i) **Hedging activity**
The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk. Following are the Derivative instruments at year end not designated as hedging instrument:

(in Crore)

Particular	March 31, 2025		March 31, 2024		Purpose
	Amount	Foreign Currency	Amount	Foreign Currency	
Forward Contracts (USD Sales)	-	-	12.04	0.15	Hedging of Foreign Currency Sales

Notes to Consolidated Financial Statements for the year ended March 31, 2025

- (j) The Subsidiary Company (Shree Ram Electro Cast Limited) has acquired Land at Halekote-25 Village, Siruguppa Hobli or Firka, Siruguppa Taluka, District Bellary and Honnarahalli Village, Hactcholli Hobali, Siruguppa Taluka, Bellary District and its Legal Document for transfer of the property in the name of the Company is in process.

k) Exceptional Items

- (a) Pursuant to compliance with all the terms and conditions of the Settlement Agreement, and upon receipt of No Dues Certificates and confirmations from the respective Banks and Asset Reconstruction Companies (ARCs), the Company is no longer liable to pay interest amounting to Rs. 106.78 Crore. Accordingly, the said amount has been recognized as income under 'Exceptional Items' in the Statement of Profit and Loss.
- (b) Bank of Baroda had filed Original Application against Hans Ispat Limited (Wholly Owned Subsidiary Company) & its guarantors (i.e. Mr. Shailesh Bhandari and Mr. Mukesh Bhandari) before Debts Recovery Tribunal-1, Ahmedabad ("ORT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act 1993. As per judgement of the Hon'ble DRT, Ahmedabad, the recovery proceedings had been initiated fore-auction of properties and the properties has been auctioned for the amount of Rs. 33.03 Crores in November, 2021. Based on the application of the auction purchaser, the Hon'ble Recovery Officer by order dated July 18, 2024 authorized the bank officer for execution of sale deed in favour of auction purchaser, subject to there being no stay from any higher forum and accordingly the sale deed was presented / executed before SRO Anjar for registration on July 24, 2024. During the year ended as on March 31, 2025, due to auction of land including building and plant & machinery and execution of sale deed in favour of auction purchaser, the Group has booked profit of Rs 17.22 Crore on account of Sale of Property, Plant and Equipment and had written off Inventory of Rs 4.13 Crore accordingly the Net Effect of Rs 13.09 Crore has been shown as exceptional item in the financial statement.

The break-up of the Exceptional Item is as under:

Particular	Amounts (In Crore)
Central Bank of India- On account of Settlement	52.30
Invent Assets Securitization and Reconstruction Private Limited (Assignee of OBC)- On account of settlement	12.55
Invent Assets Securitization and Reconstruction Private Limited (Assignee of OBC, PNB and Allahabad Bank)*	41.93
Total Amounts (A)	106.78
Profit on Sale through Auction of Property Plant and Equipment	17.22
Inventory Written off	(4.13)
Total (B)	13.09
Total (A+B)	119.87

*Pursuant to the revised reschedulement agreement dated May 31, 2024, entered into with Invent Assets Securitization and Reconstruction Private Limited (assignee of Oriental Bank of Commerce, now merged with Punjab National Bank, Allahabad Bank and Punjab National Bank), and based on the balance confirmation received from Invent ARC, an amount of Rs 41.93 Crores towards unpaid interest for the period from September 2020 till March 2024 has been reversed and recognized as Income under Exceptional Items in the Statement of Profit and Loss for the year ended March 31, 2025.

l) Joint Venture

(i) Summarized Financial Information of Individually immaterial Joint Venture

The Group's interest in below joint venture is accounted for using the equity method in the consolidated financial statements. The summarized financial information below represents amounts shown in the joint venture financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes:

Bhaskarpara Coal Company Limited (Joint Venture)

(Rs In Crore)

TRADE RECEIVABLE	Year ended March 31, 2025	Year ended March 31, 2024
Profit or Loss from continuing Operations after tax	0.25	0.03
Post-tax Profit or Loss from discontinued Operations	-	-
Other Comprehensive Income	-	-
Total Comprehensive Income	0.25	0.03

Notes to Consolidated Financial Statements for the year ended March 31, 2025

- (ii) Reconciliation of the financial information presented to the carrying amount of its interest in the joint venture is as under: -

Bhaskarpara Coal Company Limited (Joint Venture)

(Rs In Crore)

TRADE RECEIVABLE	Year ended March 31, 2025	Year ended March 31, 2024
Face value of Rs 10 each fully paid		
Opening Balance as at April 1	9.14	9.11
Add: Share in Profit of Joint Venture	0.25	0.03
Total	9.39	9.14
Less: Accumulated Impairment	2.13	2.13
Closing Balance as at March 31	7.26	7.01

38 Director's Remuneration

Mr. Suraj Bhandari was re-appointed as a Whole-time Director for a period of three years w.e.f. November 13, 2022 to November 12, 2025 at a remuneration of Rs. 1,50,000/- per month as approved by the shareholders of the Company at 36th Annual General Meeting held on August 31, 2022. Mr. Shailesh Bhandari was re-appointed as a Managing Director for a period of three years w.e.f. February 1, 2023 to January 31, 2026 at a remuneration of Rs. 2,00,000/- per month as approved by the shareholders of the Company through Postal Ballot on March 28, 2023. Further, Mr. Shailesh Bhandari, Managing Director was re-designated as Executive Vice Chairman and Mr. Suraj Bhandari was elevated and re-designated as a Managing Director with effect from February 9, 2024 with same terms & conditions of remuneration and the shareholders of the Company have also approved the same through Postal Ballot on March 19, 2024.

This remuneration to both the Directors are subject to approval from banks and financial institutions as the Company has defaulted in repayment of loans. In absence of such approval, no remuneration was paid to Mr. Shailesh Bhandari and Mr. Suraj Bhandari during the financial year.

39 Other Legal Cases**In Holding Company-Electrotherm (India) Limited**

- Some of the creditors have filed cases of recovery against the Holding Company before the various Civil Courts / Commercial Courts for Rs 3.76 Crore (As at March 31, 2024 Rs 3.76 Crore). The said amounts are excluding interest.
- Some of the suppliers have filed complaints against the Holding Company and its directors / officers under Section 138 of Negotiable Instruments Act, 1881 for dishonor of cheques of Rs. 67.42 Crore (As at March 31, 2024 Rs. 66.17 Crore) issued by the Holding Company and the Holding Company and its directors / officers are contesting the said cases and the same are pending before respective courts.
- The Holding Company has filed recovery case against Victory Rich Trading Limited ("VRTL") & its director for non-payment of amount in the High Court of Hong Kong and the High Court of Hong Kong has passed judgment for payment of recovery amount. Thereafter, VRTL has challenged the said order and the same was pending before the High Court of Hong Kong for further proceedings. As per the enquiry from High Court of Hong Kong, the cases have already been concluded with no written judgement given. Further the Holding Company has filed a winding up petition against VRTL before the High Court of Hong Kong and the High Court of Hong Kong has passed the order for winding up of VRTL. However, in absence of any assets in the name of VRTL, the liquidator has applied for release as liquidator and the dissolution of VRTL.
- Mr. Siddharth Bhandari, one of the Promoter group and erstwhile Whole-time Director and Dr. Rakesh Bhandari, one of the Promoter group of the Holding Company ("Petitioners") has filed two separate petitions (CP No. 93 / 2018 and CP No. 94 / 2018) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 149, 150, 152, 159 and 176 of the Companies Act, 2013 *inter alia*, for declaring the appointment of four independent directors as null and void from their respective dates of appointment being violative of provisions of section 149 and 150 and other related provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014. The interim order dated May 4, 2021 passed by the Hon'ble NCLT, Ahmedabad for joint signature of Mr. Siddharth Bhandari in bank accounts, policy decisions affecting smooth running of holding company as a going concern etc. was challenged by Mr. Shailesh Bhandari & Holding Company before Hon'ble NCLAT and thereafter, before Hon'ble Supreme Court of India. After granting stay on joint signature in bank accounts by the Hon'ble NCLAT and Hon'ble Supreme Court of India, the appeals were finally disposed off. Therefore, there was joint signature of Mr. Siddharth Bhandari in bank accounts during the interregnum period during the financial year 2022-23. The CP No. 93 / 2018 and CP No. 94 / 2018 was finally heard by the Hon'ble NCLT, Ahmedabad and the said petitions were disposed of on January 11, 2023 as not maintainable and vacated all interim orders. The Petitioners have

Notes to Consolidated Financial Statements for the year ended March 31, 2025

challenged the order dated January 11, 2023 before the Hon'ble NCLAT and on August 23, 2024, the Appellants have withdrawn the appeals from the Hon'ble NCLAT.

- (e) Mr. Siddharth Bhandari, Mr. Mukesh Bhandari and Dr. Rakesh Bhandari ("Petitioners") has filed a petition (CP No. 5/2022) before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") under section 241-242 of the Companies Act, 2013 against the Holding Company, Mr. Shailesh Bhandari & Others. The Hon'ble NCLT has issued notice to respondents and directed to file reply on interim relief and maintainability. The Holding Company has filed its reply on interim relief and maintainability.

During the pendency of this petition, the Petitioners have filed an Interlocutory Application No. 55 / 2022 in CP No. 5 / 2022 to restrain the Holding Company from holding Board Meeting dated August 2, 2022 and stay some of the agenda items. The Hon'ble NCLT, Ahmedabad by order dated August 24, 2022 not granted any stay and rejected the application as misconceived and not maintainable. The Petitioners have challenged the order dated August 24, 2022 before the Hon'ble NCLAT and the Hon'ble NCLAT by order dated November 29, 2022 dismissed the appeal. The Petitioners have challenged the order dated November 29, 2022 before the Hon'ble Supreme Court of India and the civil appeal is pending for hearing before the Hon'ble Supreme Court of India.

The Petitioners have also filed an Interlocutory Application No. 5 / 2024 in CP No. 5 / 2022 for various reliefs including joint signature in bank accounts. The Hon'ble NCLT, Ahmedabad by order dated March 19, 2024 dismissed the application. The Petitioners have also filed an Interlocutory Application No. 82 / 2024 for various relief to access the Holding company premises and books of accounts etc. The Petitioners have also filed an Interlocutory Application No. 91 / 2024 for various relief including to maintain status quo of board of directors etc. The Hon'ble NCLT, Ahmedabad by order dated September 12, 2024 dismissed the application. The Petitioners have filed appeal before Hon'ble NCLAT against order dated September 12, 2024, however the same was disposed of on October 23, 2024 with direction to Ld. NCLT to dispose of main petition expeditiously, preferably within 8 weeks after decision on maintainability.

The Hon'ble NCLT by order dated October 25, 2024 dismissed CP No. 5 / 2022 as not maintainable alongwith pending Interlocutory Application.

- (f) Ministry of Corporate Affairs, Office of the Regional Director, North-Western Region, Ahmedabad has in October, 2018 initiated inspection of books of accounts and other records under section 206(5) of the Companies Act, 2013. Thereafter, the Regional Director has issued letter for violations / irregularities of the Companies Act, 1956 / 2013 and the holding Company has replied to the same. Based on the same, the Registrar of Companies, Gujarat has issued letter for violations of Section 128(1), 129(1), 129(5), 133 read with Schedule III of the provisions of the Companies Act, 2013 and initiated prosecution against Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari, Mr. Siddharth Bhandari, Managing Directors / Whole-time Director & Late Mr. Pawan Gaur, Chief Financial Officer of the Holding Company. Mr. Shailesh Bhandari, Mr. Avinash Bhandari & Late Mr. Pawan Gaur have challenged the said prosecution before the Hon'ble Gujarat High Court under section 463 of the Companies Act, 2013 and on October 29, 2024, the Hon'ble Gujarat High Court granted ad-interim relief of stay on the prosecution. The said petition is pending for hearing before the Hon'ble Gujarat High Court.

Further the office of Regional Director vide letter / order dated December 24, 2019 informed the holding Company about investigation into the affairs of the holding Company under section 210(1)(c) of the Companies Act, 2013. Thereafter, the Holding Company was directed to furnish documents / information and the Holding Company has challenged the said investigation before the Hon'ble Gujarat High Court. As the petition was rejected by the Hon'ble Gujarat High Court, the Holding Company has challenged the same before division bench by filing Letters Patent Appeal and the division bench of the Hon'ble Gujarat High Court has passed order for continuation of investigation and that if the report recommends closure of the proceedings, no further orders may be necessary, however, if the report recommends some coercive measures to be taken, then the Central Government or the competent authority may not take any such decision without leave of the Court. The Letters Patent Appeal is pending awaiting the appropriate report of investigation under Section 210 of the Companies Act, 2013.

Further with regard to the two prosecutions filed by Registrar of Companies, Gujarat against Mr. Mukesh Bhandari, Mr. Shailesh Bhandari, Mr. Avinash Bhandari, Mr. Siddharth Bhandari, Managing Directors / Whole-time Director & Late Mr. Pawan Gaur, Chief Financial Officer and Mr. Fageshkumar Soni, Company Secretary of the Holding Company under section 447 – 448 of the Companies Act, 2013 for failing to furnish material facts related to related party transactions for the financial year 2017 and 2018, Mr. Shailesh Bhandari, Mr. Avinash Bhandari & Mr. Fageshkumar Soni challenged the said prosecution before Hon'ble Gujarat High Court and the Hon'ble Gujarat High Court by order dated December 12, 2024 and February 17, 2025 granted interim relief of stay on the said two prosecutions qua the applicants. The said petitions are pending for further hearing before the Hon'ble Gujarat High Court.

- (g) Mr. Babu Devraj Badhiya has filed a Writ Petition in the nature of Public Interest Litigation (PIL) on February 4, 2019 before the Hon'ble Gujarat High Court with prayer for direction for compliance of various approvals / permissions issued by various authorities for the Samakhiali Plant, Kutch, Gujarat. The Hon'ble Gujarat High Court has passed order for not to carry out any further construction / development and the matter is pending before the Hon'ble Gujarat High Court.

Notes to Consolidated Financial Statements for the year ended March 31, 2025**Subsidiary Company-Hans Ispat Limited**

- (h) The Subsidiary Company has filed criminal complaints under section 138 read with section 142 of the Negotiable Instruments Act, 1881 before Hon'ble Judicial Magistrate First Class, Ahmedabad for dishonor of cheques of various customers and are shown as doubtful and the provision for doubtful debt of Rs. 2.67 Crore (As at March 31, 2024 Rs. 2.67 Crore) has been provided in the books.

Note: The financial implication of all this case is not ascertainable at this point of time.

40 Other Statutory Information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The group does not have any transactions with the Companies which are struck off.
- (iii) The group does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
- (iv) The group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Group is in compliance with the number of layers prescribed under clause (87) of Section -2 of the Companies Act 2013 with Companies (Restriction of number of Layers) Rules, 2017.

41 Family Settlement Agreement ("FSA")

Mr. Mukesh Bhandari, Promoter & his family members and Mr. Shailesh Bhandari, Promoter & Executive Vice Chairman & his family members vide letter dated March 29, 2025 ("Bhandari Family Letter") informed the Company about execution of Family Settlement Agreement ("FSA") amongst the Bhandari Family. Pursuant to the realignment under the FSA: (a) the management rights and control over the Electrotherm (India) Limited ("EIL" / 'Company') and all of its respective subsidiaries and joint venture company, will be realignment in the manner contemplated under the FSA and shall continue to be with Mr. Shailesh Bhandari. Mr. Mukesh Bhandari & his family members will exit from the Company including its respective subsidiaries and joint venture companies by transferring shares to Mr. Shailesh Bhandari and tendering the resignation in the concerned companies; (b) To realign/transfer/release/forgo certain individual properties, rights thereof and shareholdings in the various companies as prescribed in FSA; (c) The equity shares of EIL held by Mr. Mukesh Bhandari will be transferred to Mr. Shailesh Bhandari, upon fulfilment of certain obligations by Mr. Shailesh Bhandari, as contemplated in the FSA; (d) The equity shares of EIL held by Mrs. Jyoti Bhandari will be transferred to Mrs. Reema Bhandari, by way of gift; (f) After completion of actual transfer of shares of Mr. Mukesh Bhandari to Mr. Shailesh Bhandari, Mr. Mukesh Bhandari and his family members will make application(s) / request(s) for reclassification of their status from 'Promoter / Promoter Group' to 'Public' category; (g) Further, the equity share of subsidiaries or joint venture company of EIL, held by Mr. Mukesh Bhandari and his family members, whether singly or jointly, for and on behalf of EIL, will be transferred in the name of such other person(s) or Mr. Shailesh Bhandari (h) Further, shareholding of Mukesh Bhandari Family in such companies controlled by 'Shailesh Bhandari Family' shall be transferred to Mr. Shailesh Bhandari. (i) Mr. Mukesh Bhandari and Mr. Shailesh Bhandari will indemnify each other against any claims, liabilities etc. in respect of personal guarantee given by them for availing the credit facilities by their respective companies; (j) Both parties will immediately take appropriate steps to file for consent quashing / withdrawal of any proceedings / cases with the regard to respective legal proceedings initiated by parties against each other as well as against the Company. Further the company is not a party to the family settlement agreement.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

42 Going Concern of the Subsidiary & Joint Venture

(a) Bhaskarpara Coal Company Limited (Joint Venture Company)

Ministry of Coal, Government of India vide their letter No: 13016/54/2008-CA-I Vol.III dated November, 15 2012 has ordered de-allocation of Bhaskarpara Coal block and invocation of partial amount of Bank Guarantee of Rs. 1.6513 Crores in respect thereof. However, M/s UltraTech Cement Limited one of the promoters of the company has filed writ petition under Article 226 of the Constitution of India in Chhattisgarh High Court. The High Court has granted stay against further proceedings. Subsequently Supreme Court of India vide its order dated September 24, 2014 ordered the cancellation of coal block allotted to the Joint Venture. In view of this de-allocation matter before Chhattisgarh High Court has become infructuous.

The High Court of Chhattisgarh has passed final order on November 15, 2017 and upheld MoC demand to invoke the bank guarantee to the extent of the amount of Rs. 1.6513 Crores with accruals as may be due thereon. The joint venture company has filed SLP 35575/2017 in Hon'ble Supreme Court and stay granted on invocation of the bank guarantee.

In view of the Supreme Court of India's order for the cancellation of the coal block allotted to the Joint Venture Company, the Joint Venture Company does not have any business to carry on. Hence, these accounts are prepared on the basis that the Joint Venture Company is not a going concern.

(b) Shree Ram Electro Cast Limited

The subsidiary company has discontinued its operation since April 2011 because of the non-availability of Iron Ores due to ban on mining by the Hon'ble Supreme Court's order in the state of the Karnataka and further the State Bank of India has taken action under SARFAESI Act, 2002 and subsequent action of the sale through auction of the hypothecated / mortgaged assets of the Subsidiary Company situated at Honnarhalli Village, Hatchali Post, Siruguppa Taluk, Bellari District, Karnataka was taken place for Rs. 11.97 Crore and its formalities have been completed upto April 16, 2019. Further, the subsidiary company has accumulated losses and its net worth has been fully eroded, the subsidiary Company has incurred a net loss/net cash loss during the current and previous year(s) and, the subsidiary Company's current liabilities exceeded its current assets as at the balance sheet date & 100% of its charged Assets have been sold through auction by the bankers. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Subsidiary Company's ability to continue as a going concern.

(c) ET Elec-Trans Limited

ET-Elec Trans Limited (subsidiary company) has incurred cash loss of Rs. 0.00 Crore and accumulated losses of Rs 1.49 Crore which has fully eroded the net worth and was non-operative. In view of negative networth and not in operation, the holding company has sold 7,24,400 equity share of ET-Elec Trans Limited to Mr. Chaitanya Pratap Sharma (Independent Director / a Non-Executive Director of Subsidiary Company and Joint Venture) for Rs. 0.10/- per equity share i.e. total consideration for transfer of Equity Shares is Rs. 0.01 Crore on November 13, 2024 (now ceases to be subsidiary company).

(d) Hans Ispat Limited

Bank of Baroda had filed Original Application against Hans Ispat Limited (Wholly Owned Subsidiary Company) & its guarantors (i.e. Mr. Shailesh Bhandari and Mr. Mukesh Bhandari) before Debts Recovery Tribunal-1, Ahmedabad ("DRT") under section 19 of the Recovery of Debts due to Banks and Financial Institutions Act 1993. As per judgement of the Hon'ble DRT, Ahmedabad, the recovery proceedings had been initiated for e-auction of properties and the properties has been auctioned for the amount of Rs. 33.03 Crores in November, 2021. Based on the application of the auction purchaser, the Hon'ble Recovery Officer by order dated July 18, 2024 authorized the bank officer for execution of sale deed in favour of auction purchaser, subject to there being no stay from any higher forum and accordingly the sale deed was presented / executed before SRO Anjar for registration on July 24, 2024. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Wholly Owned Subsidiary Company's ability to continue as a going concern.

Notes to Consolidated Financial Statements for the year ended March 31, 2025**43 Financial Instruments, Fair Value Measurements, Financial Risks & Capital Management****43.1 Category wise Classification of Financial Instruments**

(Rs In Crore)

Particulars	March 31, 2025		
	FVPL	Amortized cost	Carrying Value
Financial assets			
Trade receivables	-	257.07	257.07
Cash and Cash Equivalents	-	9.22	9.22
Other Bank balances	-	63.04	63.04
Investments in mutual fund units	0.76	-	0.76
Investments in Joint Venture net of Accumulated Impairment	-	7.26	7.26
Investments in Unquoted Government Securities	-	0.01	0.01
Other financial assets	-	40.19	40.19
Total financial assets	0.76	376.79	377.55
Financial liabilities			
Trade payables	-	458.97	458.97
Borrowing	-	1,270.91	1,270.91
Preference shares	-	12.00	12.00
Lease Liability	-	3.85	3.85
Other financial liabilities	-	13.16	13.16
Total financial liabilities	-	1,758.89	1,758.89

(Rs In Crore)

Particulars	March 31, 2024		
	FVPL	Amortized cost	Carrying Value
Financial assets			
Trade receivables	-	224.01	224.01
Cash and Cash Equivalents	-	55.31	55.31
Other Bank balances	-	7.03	7.03
Investments in mutual fund units	0.72	-	0.72
Investments in Joint Venture net of Accumulated Impairment	-	7.01	7.01
Investments in Unquoted Government Securities	-	0.01	0.01
Other financial assets	-	42.87	42.87
Total financial assets	0.72	336.24	336.96
Financial liabilities			
Trade payables	-	427.49	427.49
Borrowing	-	1,757.31	1,757.31
Preference shares	-	12.00	12.00
Lease Liability	-	1.03	1.03
Other financial liabilities	-	72.47	72.47
Total financial liabilities	-	2,270.30	2,270.30

Notes to Consolidated Financial Statements for the year ended March 31, 2025

43.2 Fair Value Measurement

i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table

Financial assets and liabilities measured at fair value - recurring fair value measurements: (Rs In Crore)

Particulars	Note	Level 1	Level 2	Level 3	Total
Investments in quoted mutual fund					
As at March 31, 2025	5	0.76	-	-	0.76
As at March 31, 2024	5	0.72	-	-	0.72

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2

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

ii) Valuation technique used to determine fair value

Financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted Mutual Funds is measured at quoted price or NAV

iii) Valuation process

The Group obtains valuation results from external valuers for level 2 measurements. Inputs to level 2 measurements are verified by the Company's treasury department.

iv) Fair value of financial assets and liabilities measured at amortized cost

The management assessed that cash and cash equivalents, Bank Balance other than cash and cash equivalents, trade receivables, trade payables and government securities, other financial assets, short term borrowings, non current borrowings and other current financial liabilities approximate their carrying amounts.

44 Financial Instrument Risk, Management, Objectives & Policies

44.1 Financial risk management

The management of the Group has implemented a risk management system that is monitored by the Board of Directors. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Group are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims at identifying, analyzing, managing, controlling and communicating risks promptly throughout the Group. Risk management reporting is a continuous process and part of regular Group reporting.

The group is exposed to credit, liquidity and market risks (interest rate risk, foreign currency risk and other price risk) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements.

44.2 Credit risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. The balances with banks and security deposits are subject to low credit risk since the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.

Trade receivables and Advances to Suppliers & Others

Credit risk arises from the possibility that customer/borrowers will not be able to settle their obligations as and when agreed. To manage this, the Group periodically assesses the financial reliability of customers and the borrowers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

The provision on trade receivables for expected credit loss is recognized on the basis of life-time expected credit losses (simplified approach). Trade receivables are evaluated separately for balances towards progress billings and retention money due from customers. An expected loss rate is calculated at each year-end, based on combination of rate of default and rate of delay. The Group considers the rate of default and delay upon initial recognition of asset, based on the past experience and forward-looking information, wherever available.

During the year ended March 31, 2025, Sales to a Customer of Rs 574.76 Crore (or 13.97 % of Net revenue) and during the year ended March 2024, sales to such customer 479.13 Crore (or 11.22% of net revenue). Account receivable from such customer Rs. Nil (or 0% total receivables) at March 31, 2025 and Rs. Nil (or 0% total receivables) at March 31, 2024. A loss of this customer could significantly affect the operating results or cash flows of the Group.

Expected Credit Loss:**i) As at March 31, 2025**

(Rs In Crore)

Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Gross carrying amount	315.24	138.48	453.72
Expected loss rate	18.45%	13.03%	16.80%
Expected credit losses (loss allowance provision)	58.17	18.05	76.22
Carrying amount	257.07	120.43	377.50

ii) As at March 31, 2024

(Rs In Crore)

Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Gross carrying amount	339.17	147.39	486.56
Expected loss rate	33.95%	12.25%	27.38%
Expected credit losses (loss allowance provision)	115.16	18.05	133.21
Carrying amount	224.01	129.34	353.35

iii) Reconciliation of expected credit loss / Doubtful receivable

(Rs In Crore)

Particulars	Trade Receivables	Advances to Suppliers & Others	Total
Loss allowance as on April 1, 2023	(104.15)	(18.05)	(122.20)
Changes in loss allowance	(11.01)	-	(11.01)
Loss allowance as on March 31, 2024	(115.16)	(18.05)	(133.21)
Changes in loss allowance	56.99	-	56.99
Loss allowance as on March 31, 2025	(58.17)	(18.05)	(76.22)

44.3 Liquidity risk

Liquidity risk is the risk that the group will face in meeting its obligations associated with its financial liabilities. The group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

Liquidity crises has led to default in repayment of principal and interest to lenders however the group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is used for the repayment of loan, invested in interest bearing term deposits and mutual funds with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the group's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Notes to Consolidated Financial Statements for the year ended March 31, 2025

Maturities of financial liabilities

The table below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

(Rs In Crore)

As at March 31, 2025	Payable Upto 31.03.2026	01.04.2026 to 31.03.2029	After 31.03.2029
Trade Payables	458.97	-	-
Borrowings	917.65	353.26	-
Lease liability	1.87	1.98	-
Preference Shares	12.00	-	-
Other Financial liabilities	13.16	-	-
Total	1,403.65	355.24	-

(Rs In Crore)

As at March 31, 2024	Payable Upto 31.03.2024	01.04.2024 to 31.03.2028	After 31.03.2028
Trade Payables	427.49	-	-
Borrowings	1,150.72	606.55	0.04
Lease liability	1.03	-	-
Preference Shares	12.00	-	-
Other Financial liabilities	72.45	0.02	-
Total	1,663.69	606.57	0.04

44.4 Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk includes borrowings, deposits, investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets. The Group is mainly exposed to interest rate risk and foreign currency risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market rates. Since the borrowing of the company are classified as non performing assets or are transferred to assets reconstruction company or the settlement agreement have been executed and few lenders are charging interest at fix rate of interest, therefore the exposure to risk of changes in market interest rates is minimal. However the Company is liable for the payment of interest to Central Bank of India @ 1 Year MCLR on the Outstanding amount. During the financial year ended March 31, 2025 the Group has paid the entire settelement amount along with interest there on to Central Bank of India and has received no due Certificate accordingly their will be no interest rate risk as on March 31, 2025.

(Rs In Crore)

Particulars	Outstanding Amount as on March 31, 2025	Interest for the period ended as on March 31, 2025	Increase in Interest by 1%	Decrease in Interest by 1%
Central Bank of India	-	-	-	-

(Rs In Crore)

Particulars	Outstanding Amount as on March 31, 2024	Interest for the period ended as on March 31, 2024	Increase in Interest by 1%	Decrease in Interest by 1%
Central Bank of India	243.39	7.45	0.07	(0.07)

Notes to Consolidated Financial Statements for the year ended March 31, 2025**ii) Foreign currency risk**

The international nature of the group business activities generates numerous cash flows in different currencies -especially in USD, EURO and AED. To contain the risks of numerous payment flows in different currencies- in particular in USD, EURO and AED- the group follows group wise policies for foreign currency management.

The Group's exposure to unhedge foreign currency risk at the end of reporting period are as follows: (In Crore)

Particulars	As at March 31, 2025		
	USD	Euro	AED
Financial assets			
Trade receivables	0.83	0.02	0.16
Net exposure to foreign currency risk (assets)	0.83	0.02	0.16
Financial liabilities			
Trade payables	0.09	0.01	-
Net exposure to foreign currency risk (liabilities)	0.09	0.01	-
Net exposure to foreign currency risk	0.74	0.01	0.16
Net Exposure In Indian Currency	63.05	0.22	3.73

(In Crore)

Particulars	As at March 31, 2024		
	USD	Euro	AED
Financial assets			
Trade receivables	1.00	0.04	0.08
Net exposure to foreign currency risk (assets)	1.00	0.04	0.08
Financial liabilities			
Trade payables	0.08	0.02	-
Net exposure to foreign currency risk (liabilities)	0.08	0.02	-
Net exposure to foreign currency risk	0.92	0.02	0.08
Net Exposure In Indian Currency	76.27	2.02	1.91

The above table represent only total major exposure of the Group towards foreign exchange denominated trade receivables and trade payables only.

The Group is mainly exposed to change in USD ,Euro and AED. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD, Euro and AED against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

The sensitivity of Profit or loss to changes in USD, Euro and AED exchange rate are as follows: (Rs In Crore)

Particulars	As at March 31, 2025		
	Rupee / USD	Rupee / Euro	Rupee / AED
Impact on Profit / (Loss)			
Increase by 5%	3.15	0.01	0.19
Decrease by 5%	(3.15)	(0.01)	(0.19)

(Rs In Crore)

Particulars	As at March 31, 2024		
	Rupee / USD	Rupee / Euro	Rupee / AED
Impact on Profit / (Loss)			
Increase by 5%	3.81	0.10	0.10
Decrease by 5%	(3.81)	(0.10)	(0.10)

Notes to Consolidated Financial Statements for the year ended March 31, 2025

45 Capital Management:

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholders value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders. The Capital structure of the group is as follows:

(Rs In Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Equity share capital	12.74	12.74
Other Equity	(171.52)	(793.86)
Total Equity	(158.78)	(781.12)

46 Corporate Social Responsibility (CSR)

Details of CSR expenditure:

(Rs in Crore)

Particulars	March 31, 2025	March 31, 2024
a) Gross amount required to be spent by the Group during the year	2.20	0.44
b) Amount approved by the Board to be spent during the year	2.71	0.44

c) Amount spent during the year ended on March 31, 2025

(Rs in Crore)

Particulars	(i) Construction / acquisition of any asset	(ii) On purposes other than (i)
Yet to be Paid in Cash	1.96	-
In Cash	0.54	0.17
Total	2.50	0.17

d) Amount spent during the year ended on March 31, 2024

(Rs in Crore)

Particulars	(i) Construction / acquisition of any asset	(ii) On purposes other than (i)
Yet to be Paid in Cash	-	-
In Cash	-	0.48
Total	-	0.48

e) Details related to spent / unspent obligations

(Rs in Crore)

Particulars	March 31, 2025	March 31, 2024
a) Spent amount in relation to:		
Other than on going Projects		
i) Contribution to Trust		
- Promoting Education	-	0.08
- Medical / healthcare facilities-Treatment for children suffering from Thalassemia	0.17	0.40
On going Projects		
ii) Environment sustainability by developing and Maintaining Oxygen Park	0.54	
b) Unspent amount in relation to:		
- Ongoing project (Environment sustainability by developing and Maintaining Oxygen Park)	1.96	-
Total	2.67	0.48

Notes to Consolidated Financial Statements for the year ended March 31, 2025**f) Details of ongoing project and other than ongoing project****(a) In case of S. 135(6) (Ongoing Project)**

(Rs in Crore)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance		
- With Group	-	-
- In Separate CSR Unspent A/c	1.29	1.29
Amount required to be spent during the year	2.50	-
Amount Deposit in CSR Unspent A/c.	-	-
Amount spent during the year		
- From group's bank A/c	0.54	-
- From Separate CSR Unspent A/c	1.29	-
Closing Balance		
- With Group*	1.96	-
- In Separate CSR Unspent A/c	-	1.29

* The Group have deposited the said amount in Separate Bank Account till the date of Financial Statement.

(b) In case of S. 135(5) (Other than ongoing project)

(Rs in Crore)

Particulars	March 31, 2025	March 31, 2024
Opening Balance	(0.04)	-
Amount deposited in Specified Fund of Sch. VII within 6 months	-	-
Amount required to be spent during the year	0.21	0.44
Payment made during the year	0.17	0.48
Closing Balance Payable / (Excess amount spent to be carried forward)	-	(0.04)

47 Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties that are repayable on demand or without specifying any terms or period of repayment.

(Rs in Crore)

Type of Borrower	As at March 31, 2025		As at March 31, 2024	
	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of such loans	Amount of loan or advance in the nature of loan outstanding	% of total Loans and Advances in the nature of such loans
Loan to Promoters	-	-	-	-
Loan to Directors	-	-	-	-
Loan to KMPs	-	-	-	-
Loan to Related parties	0.14	100.00	0.15	100.00
Associate	-	-	-	-
Total	0.14	100.00	0.15	100.00

48 Segment Wise Revenue, Results Assets & Liabilities**Operating Segments:**

The Group is engaged in the business of Engineering & Technologies, Special Steel, Electric Vehicle and Others. In accordance with the requirements of Ind AS 108 "Operating Segments" Group has identified these four segments as reportable segments.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Notes to Consolidated Financial Statements for the year ended March 31, 2025
Primary Reportable Segment (Business Segment)

(Rs. In Crore)

Particulars	Current Year	Previous Year
SEGMENT REVENUE		
Engineering & Technologies Division	1,194.50	1,328.23
Special Steel Division	2,931.83	2,931.87
Electric Vehicle Division	24.91	32.12
Others	-	0.01
Total Sales	4,151.24	4,292.23
Less : Inter segment Revenue	35.87	20.73
Net Sale	4,115.37	4,271.50
SEGMENT PROFIT/(LOSS) BEFORE TAX AND INTEREST		
Engineering & Technologies Division	110.64	162.28
Special Steel Division	248.43	221.47
Electric Vehicle Division	(10.58)	(6.28)
Others	0.01	(0.03)
Profit Before Interest, Tax & Prior Period Adjustment	348.50	377.44
Less: Financial Expenses	45.52	60.14
Add:- Exceptional Items	106.78	-
Net Profit/(Loss) Before Tax	409.76	317.30
OTHER INFORMATION		
Segment Assets		
Engineering & Technologies Division	605.40	656.31
Special Steel Division	1,241.79	1,146.75
Electric Vehicle Division	30.48	30.50
Others	8.48	7.72
Unallocable	32.14	-
Total Segment Assets	1,918.29	1,841.28
Segment Liabilities		
Engineering & Technologies Division	395.73	665.48
Special Steel Division	1,639.95	1,916.20
Electric Vehicle Division	12.82	11.99
Others	28.57	28.73
Total Segment Liabilities	2,077.07	2,622.40
Segment Depreciation		
Engineering & Technologies Division	5.49	6.20
Special Steel Division	38.40	39.28
Electric Vehicle Division	0.50	1.22
Total Depreciation	44.39	46.70
Other Non Cash Expenses/ (Income)		
Engineering & Technologies Division	9.22	10.13
Special Steel Division	(1.65)	3.01
Electric Vehicle Division	(0.08)	(0.09)
Others	-	-
Total	7.49	13.05
Segment Capital Expenditure		
Engineering & Technologies Division	6.79	2.92
Special Steel Division	82.27	65.61
Electric Vehicle Division	-	0.06
Others	-	-
Total Capital Expenditure (Net)	89.06	68.59

Notes to Consolidated Financial Statements for the year ended March 31, 2025**Secondary Reportable Segment (Geographically Segment)**

(Rs. In Crore)

Particulars	Current Year	Previous Year
Segment Revenue		
- Within India	3,887.81	3,898.47
- Outside India	227.56	373.03
Total Revenue	4,115.37	4,271.50
Segment Assets		
- Within India	1,817.81	1,740.80
- Outside India	100.48	100.48
Total Assets	1,918.29	1,841.28

49 Ageing of Trade Receivable and Trade Payable**(a) Trade Receivable****As at March 31, 2025**

(Rs. In Crore)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	28.69	64.03	58.68	37.87	51.49	16.31	257.07
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	0.01	-	9.65	43.78	53.44
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	0.76	3.97	4.73
Total	28.69	64.03	58.69	37.87	61.90	64.04	315.24
Less: Provision for Expected Credit Loss / Doubtful Receivable							
- on Other Parties							(58.17)
Total Trade Receivable							257.07

As at March 31, 2024

(Rs. In Crore)

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	41.02	64.25	36.13	59.46	7.50	16.26	224.62
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	4.34	0.52	104.69	109.55

Notes to Consolidated Financial Statements for the year ended March 31, 2025

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	5.00	5.00
Total	41.02	64.25	36.13	63.80	8.02	125.95	339.17
Less: Provision for Expected Credit Loss / Doubtful Receivable							
- on Other Parties							(115.16)
Total Trade Receivable							224.01

(b) Ageing of Trade Payables
As at March 31, 2025

(Rs. In Crore)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	47.34	22.08	0.43	-	0.01	69.86
Total outstanding dues of creditors other than micro enterprises and small enterprises	150.16	178.64	10.31	20.86	29.14	389.11
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	197.50	200.72	10.74	20.86	29.15	458.97

As at March 31, 2024

(Rs. In Crore)

Particulars	Outstanding for following periods from due date of payment					
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	87.23	39.89	-	-	0.17	127.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	124.92	123.53	20.48	5.77	25.50	300.20
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	212.15	163.42	20.48	5.77	25.67	427.49

Notes to Consolidated Financial Statements for the year ended March 31, 2025**50. RELATED PARTY DISCLOSURE**

As required by Indian Accounting Standard-24 "RELATED PARTY DISCLOSURE", the disclosure of transaction with related parties are given below:

A. List of Related Parties**(i) Joint Venture**

- Bhaskarpara Coal Company Limited- India (% of Holding as at March 31, 2025-52.63% and as at March 31, 2024-52.63%)

(ii) Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives (with whom transaction have taken place)

- EIL Software Services Offshore Private Limited
- Etain Electric Vehicles Limited
- Prandev Tech Limited(Formerly Known as Electrotherm Tech Limited)
- ETAIN Renewables Limited
- Bhandari Charitable Trust
- Alwer Trading and Investment Company
- Sun Residency Private limited
- House of Amit Zaveri(OPC)Private Limited

(iii) Key Managerial Personnel / Director of Companies

- Mr. Shailesh Bhandari (Executive Vice Chairman)
- Mr. Suraj Bhandari (Managing Director)
- Mr. Tushar Jani (Additional Director & Whole Time Director) (w.e.f. April 10, 2025)
- Mr. Fageshkumar R. Soni (Company Secretary)
- Mr. Harish Mukati (Chief Executive Officer-Steel Division) (w.e.f. November 14, 2024)
- Mr. Amit Kumar Patwarika (Chief Financial Officer) (w.e.f. February 11, 2025)
- Mr. Chaitanya Pratap Sharma (Director of Subsidiary Company)
- Mr. Jigar Shah (Company Secretary)(resigned w.e.f. January 30, 2024)
- Mr. Chirag Shah (Chief Financial Officer) (resigned w.e.f. April 12, 2024)

(iv) Non-Executive / Independent Directors

- Mr. Dinesh Shankarlal Mukati (Independent Director & Non-Executive Chairman)
- Ms. Nivedita Ravindra Sarda (Independent Director)
- Mr. Pratap Mohan (Independent Director)
- Mr. Mukesh Bhandari (Non-Executive Director)(ceased w.e.f. September 12, 2024)

(v) Relatives of Key Managerial Personnel (with whom transaction have taken place)

- Mr. Rakesh Bhandari (Brother of Director)
- Mrs. Jyoti Bhandari (Wife of Mr. Mukesh Bhandari)
- Mr. Mukesh Bhandari (Brother of Executive Vice Chairman) (w.e.f. September 12, 2024)
- Mr. Siddharth Bhandari (Son of Mr. Mukesh Bhandari)

B. Related Parties Transaction as Identified by the Company from its records

(Rs in crore)

Particulars	Year ended as on March 31, 2025	Year ended as on March 31, 2024
Purchase		
House of Amit Zaveri (OPC) Private Limited	18.91	-
Sales		
House of Amit Zaveri (OPC) Private Limited	16.64	-
Rent Expenses		
Mr Shailesh Bhandari	0.11	0.05
Alwar Trading & Investment Company	0.09	-
Sun Residency Private Limited	0.04	-
Profit from Joint Venture		
Bhaskarpara Coal Company Limited	0.25	0.03

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(Rs in crore)

Particulars	Year ended as on March 31, 2025	Year ended as on March 31, 2024
Interest Expenses on Lease Liability		
Mr Shailesh Bhandari	-	0.00
Mr Mukesh Bhandari	-	0.01
Salary		
Mr Jigar Shah	-	0.14
Mr. Fageshkumr R. Soni	0.22	0.04
Mr. Chirag Shah	0.02	0.23
Mr.Amit Kumar Patwarika	0.05	-
Mr.Harish Mukati	0.26	-
Director Sitting Fees		
Mr. Dinesh Shankarlal Mukati	0.08	0.08
Ms. Nivedita Ravindra Sarda	0.07	0.07
Mr. Pratap Mohan	0.08	0.08
Sales of equity Share of Subsidiary Company		
Mr.Chaitanya Pratap Sharma	0.01	-

Note:

The Remuneration to the key managerial personnel does not include the Provision made for gratuity and leave encashment, as it is determined on an accrual basis for the company as a whole.

Terms and conditions of transactions with related parties:-

Outstanding balance at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related party receivables or payables. The cumulative amount of the impairment on investment in joint venture as on March 31, 2025 is Rs 2.13 Crore (March 31, 2024 Rs 2.13 Crore). The assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

C. BALANCES AS AT YEAR ENDED

(Rs. In Crore)

TRADE RECEIVABLE	As at 31.03.2025	As at 31.03.2024
- Prandev Tech Limited(Formerly Known as Electrotherm Tech Limited)	3.46	3.46
- ETAIN Electric Vehicles Limited	1.76	1.76
- ETAIN Renewables Limited	2.26	2.26
- Bhandari Charitable Trust	2.20	2.20
Total	9.68	9.68

(Rs. In Crore)

TRADE PAYABLE	As at 31.03.2025	As at 31.03.2024
- ETAIN Renewables Limited	-	0.00
- Mr. Shailesh Bhandari	0.01	0.06
- Mr. Chirag Shah	-	0.01
- Mr. Fageshkumr R. Soni	0.01	0.01
- Alwar Trading & Investment Company	0.47	-
- Sun Residency Private Limited	0.16	-
- House of Amit Zaveri(OPC)Private Limited	13.31	-
- Mr. Amit Kumar Patwarika	0.02	-
- Mr. Haresh Mukati	0.06	-
Total	14.04	0.08

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(Rs. In Crore)

Other Assets	As at 31.03.2025	As at 31.03.2024
- ETAIN Electric Vehicles Limited	0.01	0.01
- ETAIN Renewables Limited	0.04	0.05
- Prandev Tech Limited(Formerly Known as Electrotherm Tech Limited)	0.09	0.09
Total	0.14	0.15

(Rs. In Crore)

Short Term Borrowings	As at 31.03.2025	As at 31.03.2024
- Mr. Mukesh Bhandari	0.24	0.24
- EIL Software Services Offshore Private Limited	1.75	1.75
- Mrs. Jyoti Bhandari	0.15	0.15
- Mr. Rakesh Bhandari	0.02	0.02
Total	2.16	2.16

(Rs. In Crore)

Lease Liabilities	As at 31.03.2025	As at 31.03.2024
- Mr. Shailesh Bhandari	0.15	0.15
- Mr. Mukesh Bhandari	0.26	0.26
- Mrs. Jyoti Bhandari	0.05	0.05
- Alwar Trading & Investment Company	0.22	-
- Sun Residency Private Limited	0.15	-
Total	0.83	0.46

(Rs. In Crore)

Other Liabilities	As at 31.03.2025	As at 31.03.2024
- ETAIN Renewables Limited	-	0.01
- House of Amit Zaveri(OPC)Private Limited	0.07	-
Total	0.07	0.01

(Rs. In Crore)

Investment	As at 31.03.2025	As at 31.03.2024
- Bhaskarpara Coal Company Limited	7.26	7.01
Total	7.26	7.01

(Rs. In Crore)

Impariment / Provision	As at 31.03.2025	As at 31.03.2024
- Bhaskarpara Coal Company Limited - (Investment)	2.13	2.13
Total	2.13	2.13

(Rs. In Crore)

Borrowings	As at 31.03.2025	As at 31.03.2024
- Mr.Siddhrath Bhandari	-	0.04
Total	-	0.04

Notes to Consolidated Financial Statements for the year ended March 31, 2025
51 Information for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013 (Rs In Crore)

Particulars	Year	Net Assets i.e, Total Assets-Total Liabilities		Share in Profit or Loss for the Year		Share in other comprehensive Income / (Loss)		Share in Total Comprehensive Income	
		Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
Parent									
Electrotherm (India) Limited	Current Year	71.44%	(113.43)	96.94%	428.60	100.00%	(2.78)	96.92%	425.82
	Previous Year	92.46%	(722.22)	100.66%	319.43	100.00%	(2.24)	100.67%	317.19
Subsidiaries									
- Indian									
Hans Ispat Limited	Current Year	73.71%	(117.04)	9.15%	40.47	-	-	9.21%	40.47
	Previous Year	20.16%	(157.51)	-0.66%	(2.09)	-	-	-0.66%	(2.09)
Electrotherm Services Limited	Current Year	2.66%	(4.23)	0.00%	(0.00)	-	-	0.00%	(0.00)
	Previous Year	0.54%	(4.23)	0.00%	(0.00)	-	-	0.00%	(0.00)
Shree Ram Electro cast Limited	Current Year	22.98%	(36.48)	0.00%	(0.00)	-	-	0.00%	(0.00)
	Previous Year	4.67%	(36.48)	0.00%	(0.00)	-	-	0.00%	(0.00)
ET Elec-Trans Limited	Current Year	0.00%	-	0.00%	-	-	-	0.00%	-
	Previous Year	0.19%	(1.49)	0.00%	-	-	-	0.00%	-
- Foreign									
Jinhua Indus Enterprises Limited	Current Year	1.79%	(2.84)	-0.01%	(0.03)	-	-	-0.01%	(0.03)
	Previous Year	0.36%	(2.82)	0.02%	0.05	-	-	0.02%	0.05
Jinhua Jahari Enterprises Limited	Current Year	-0.98%	1.55	0.01%	0.04	-	-	0.01%	0.04
	Previous Year	-0.19%	1.51	-0.02%	(0.07)	-	-	-0.02%	(0.07)
Joint Venture									
Bhaskarpara Coal Company Limited	Current Year	-4.57%	7.26	0.06%	0.25	-	-	0.06%	0.25
	Previous Year	-0.90%	7.01	0.01%	0.03	-	-	0.01%	0.03
Elimination	Current Year	-67.03%	106.43	-6.15%	(27.18)	-	-	-6.19%	(27.18)
	Previous Year	-17.30%	135.11	0.00%	(0.01)	-	-	0.00%	(0.01)
Group as a Whole	Current Year	100.00%	(158.78)	100.00%	442.15	100.00%	(2.78)	100.00%	439.37
	Previous Year	100.00%	(781.12)	100.00%	317.33	100.00%	(2.24)	100.00%	315.09

52 Events occurred after the Balance Sheet Date

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 20, 2025, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in the consolidated financial statements.

52 Previous year amount has been regrouped / re-casted / re-arranged / re-classified / re-determined, wherever necessary, to make the figure of the current year comparable with the previous year.

As per our report of even date
For Hitesh Prakash Shah & Co.
Chartered Accountants
Firm Registration No: 127614W

For and on behalf of the Board of Directors of
Electrotherm (India) Limited

Hitesh Shah
Partner
Membership No. 124095
UDIN: 25124095BMILBK2162

Shailesh Bhandari
Executive Vice Chairman
DIN:- 00058866

Suraj Bhandari
Managing Director
DIN:- 07296523

Amit Kumar Patwarika
Chief Financial Officer

Harish Mukati
Chief Executive Officer
(Steel Division)

Fageshkumar R. Soni
Company Secretary

Place: Palodia
Date: May 20, 2025

Place: Palodia
Date: May 20, 2025

Induction Melting



Metal Refining Konverter



Ladle Refining Furnace



Continuous Casting Machine



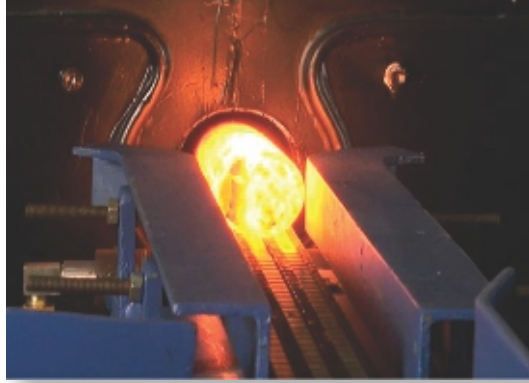
Rolling Mill



Transformers &
Power Factor Correction



Induction Heating
& Hardening



Air Pollution
Control System

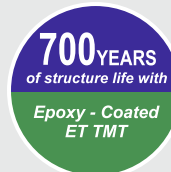




EPOXY COATED BARS

THE METHOD TO BUILD IT RIGHT

Size: Dia. 8 mm to 50 mm



Manufacturing Process from Iron Ore to Epoxy Coated TMT Bar

The corrosion cycle of steel starts with the rust expanding on the surface of the bars causing cracks in the concrete. Gradually the corrosion builds-up and results in spalling, ruining the concrete.

MAKING TODAY'S BUILDINGS SECURE FOR GENERATIONS TO COME!

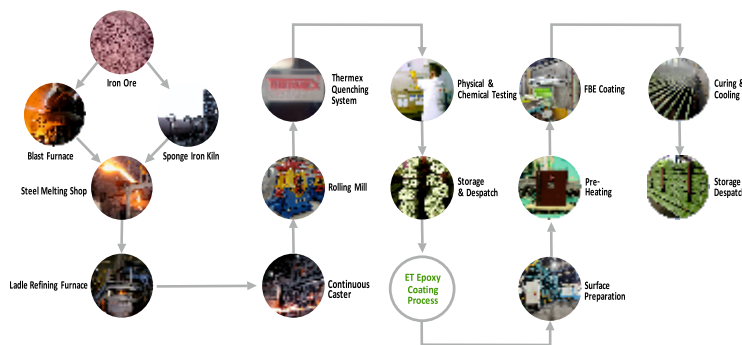
India's first state-of-the-art fully integrated steel manufacturing facilities, producing **FUSION BONDED Epoxy Coated TMT Bar** at a single location.

Performance under field study as observed is shown in the graph. After 24 months of exposure to actual marine environment (corrosion testing yard of CSIR-CECRI) at Mandapam, Rameswaram (2nd most corrosive ambient in world next to Florida) the corrosion rate of Bare TMT and CRS TMT was more than Epoxy TMT.

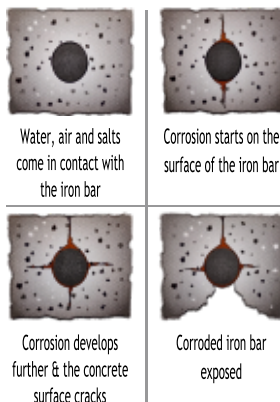
The Epoxy TMT effectively provided barrier effect to resist the corrosion than Bare TMT and CRS TMT. Bare TMT and CRS TMT showed almost similar behaviour after exposure to actual marine environment for 24 months.

Approvals: RDSO, MES, MMRDA, PGCIL, NHAI, Maha Rail, MSRDC, NPCIL, DFCCIL, MMC.

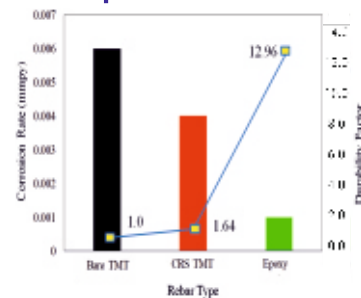
Available Grades: Fe 500, Fe 500 D, Fe 550, Fe 550 D, Fe 600, CRS Fe 500, CRS Fe 500 D, CRS Fe 550, CRS Fe 550 D.



Vapour inside can destroy the steel from outside



Protective Performance Comparison of TMT Bar



Epoxy coated bars perform better in both marine as well as inland environments, by significantly delaying the initiation of corrosion. This results in 12 times higher the life of structure and a lower life cycle cost as compared to Bare bar.

Electrotherm (India) Ltd

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CIN: L29249GJ1986PLC009126



ELECTROTHERM® DI PIPES®
The Preferred Pipes

