

**Independent Auditor's Report on Audit of Annual Financial Results of Swastik Pipe Limited
for Half Year and Year ended March 31, 2026**

**(Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015 (as amended))**

To the Board of Directors of

Swastik Pipe Limited

Qualified Opinion

We have audited the accompanying annual financial results of **Swastik Pipe Limited** ("The Company") for the half year and the year ended March 31, 2026 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the **Basis for Qualified Opinion** section of our report, these annual financial results:

- i. are presented in accordance with the requirements of the Regulation 33 of Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in applicable Accounting Standards and other accounting principles generally accepted in India of the net profits and other financial information for the half year and year ended 31st March, 2026.

Basis for Qualified Opinion

1. **We draw attention to Note No.7** to the financial statements regarding reversal of debit notes amounting to ₹3,344.12 lakhs during the year, which were originally recognised as income in the previous financial year. The said amount includes ₹3,280.49 lakhs relating to interest on delayed payments from Public Health & Engineering Departments of the States of Jammu & Kashmir and Himachal Pradesh, disclosed under "Other Expenses" in the previous year. The Company had also discharged applicable GST on the said income.

During the current year, based on communications and discussions with the respective departments, the management has reversed the aforesaid income in the books of account. However, the Company continues to pursue recovery of the said amounts through legal remedies and has initiated legal proceedings against the concerned departments.

In the absence of sufficient and appropriate audit evidence regarding the ultimate recoverability and crystallization of the aforesaid claims, and considering the uncertainty associated with the ongoing legal proceedings, the reversal of the said income has resulted in an understatement of profit / overstatement of loss for the year by ₹3,344.12 lakhs.



2. We draw attention to Note No. 6 to the financial statements regarding balances under Trade Receivables, Trade Payables, Loans and Advances recoverable/payable and other current and non-current assets including balances with revenue authorities and few NBFC loan balances/bank balance, which are subject to confirmation, reconciliation and consequential adjustments/classification, if any. Further, Company has made provision only for disputed trade receivable and not made the provision on trade receivable which are undisputed outstanding since long time.

In absence of independent balance confirmations and completion of reconciliation process, we are unable to obtain sufficient and appropriate audit evidence regarding the accuracy, completeness and recoverability / payability of such balances. Consequently, we are unable to determine the impact, if any, of adjustments that may be required to these balances and the consequential effect on the financial statements.

3. We draw attention to Note No. 8 to the financial statements, wherein the Company has disclosed that during the year it has experienced significant financial stress, resulting in classification of its bank borrowings as Non-Performing Assets (NPAs).

The Company has prepared the financial statements on a going concern basis based on management's assessment of certain mitigating factors, including bilateral ongoing negotiations for One-Time Settlement (OTS) with lenders, expected financial support from promoters, and continuation of core business operations supported by an existing order book.

However, in the absence of sufficient and appropriate audit evidence to support the successful conclusion of OTS arrangements, enforceability and availability of committed promoter funding, and the Company's ability to generate adequate future cash flows to meet its obligations as they fall due, material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter.

Key Audit Matter

4. Property, Plant and Equipment (PPE) constitutes a significant portion of the Company's total assets. As per the Company's accounting policies and applicable requirements, physical verification of fixed assets is required to be carried out periodically to ensure existence, condition, and proper record maintenance of such assets. Accordingly, verification of existence and condition of Property, Plant and Equipment required significant audit attention and judgement and was considered as a Key Audit Matter.

Our audit procedures in relation to this matter included obtaining and reviewing the fixed asset register, reconciling the same with the general ledger, examining available supporting documents relating to ownership on a sample basis, performing alternative audit procedures to the extent possible to obtain reasonable assurance regarding existence of assets, and discussing with management the process and controls relating to physical verification of fixed assets. We also assessed the adequacy of disclosures made in the financial statements in relation to Property, Plant and Equipment.

Emphasis of Matter

5. We draw attention to Note No. 5 to the Financial Statements, in respect of LADT (Entry Tax) of Rs. 1,949.76 Lakhs (without Interest) considered as contingent liabilities the matter is pending with Hon'ble High Court of Punjab & Haryana at Chandigarh, Punjab. The matter is currently sub-judice.

Our opinion is not modified in respect of the above matters.



Management's Responsibilities for the Annual Financial Results

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these Standalone Financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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

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

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

Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the annual financial results 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 the financial results.

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

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intention at 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. But not for the purpose of expressing an opinion of effectiveness of company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The annual financial results include the results for the half year ended March 31, 2026 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2026 and the published unaudited year-to-date figures up to September 30, 2025, being the first half year of the current financial year, which were subjected to a limited review by us.

Our report on the Statement is not modified in respect of this matter.

For O. Aggarwal & Co.
Chartered Accountants
FRN: 005755N

CA Om Prakash Aggarwal
Partner
Membership no.: 083862

UDIN- 26083862X10FOA3985

Place: New Delhi

Date: 26-05-2026

SWASTIK PIPE LIMITED CIN: L74899DL1973PLC006881 Regd. Office: 1/23B, Asaf Ali Road, Ajmeri Gate Extn., Central Delhi - 110002 Website: www.swastikpipes.com, Email ID: info@swastikpipes.com Standalone Statement of Asset and Liabilities as at March 31, 2026 (Amount in ₹ Lakhs, unless otherwise stated)			
	Particulars	As at 31st March 2026 (Audited)	As at 31st March 2025 (Audited)
I	EQUITY AND LIABILITIES		
(1)	Shareholders' funds		
a	Share capital	2,323.15	2,323.15
b	Reserves and Surplus	12,544.44	18,300.58
c	Money received against share warrants		
(2)	Share application money pending allotment		
	Minority Interest		
(3)	Non-current liabilities		
a	Long-term borrowings	971.66	2,530.24
b	Deferred tax liabilities (Net)	-	630.09
c	Other long-term liabilities	32.62	34.92
d	Long-term Provisions	94.62	102.16
(4)	Current liabilities		
a	Short-term borrowings	14,267.25	10,107.19
b	Trade Payables	3,398.27	17,372.41
c	Other current liabilities	771.59	1,004.82
d	Short-term provisions	167.12	135.15
	TOTAL	34,570.72	52,540.71
II	ASSETS		
(1)	Non-current assets		
a	Property Plant & Equipment and Intangible Assets		
	Property Plant & Equipment	8,616.84	8,518.61
	Intangible assets	1.67	1.67
	Capital work-in-Progress	103.38	212.01
	Intangible assets under development		
b	Non-current investments	0.05	0.05
c	Deferred tax assets (net)		
d	Long-term loans and advances	839.45	874.46
e	Deferred tax Assets (Net)	1,428.62	-
f	Other non-current assets	1,493.76	171.63
(2)	Current assets		
a	Current investments		
b	Inventories	4,782.74	12,697.49
c	Trade receivables	11,329.49	18,211.72
d	Cash and cash equivalents	462.45	1,627.06
e	Short-term loans and advances	3,732.57	7,949.06
f	Other current assets	1,779.70	2,276.95
	TOTAL	34,570.72	52,540.71
This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Refer accompanying notes to financial results.			
For and on behalf of the Board Swastik Pipe Limited <i>SBA</i> Sandeep Bansal Managing Director DIN: 00165391 Place: New Delhi Date: 26th May 2026			



SWASTIK PIPE LIMITED

CIN: L74899DL1973PLC006881

Regd. Office: 1/23B, Asaf Ali Road, Ajmeri Gate Extn., Central Delhi - 110002

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Standalone Statement of Audited Financial Results for the Half Year & Year Ended on March 31, 2026

(Amount in ₹ Lakhs, unless otherwise stated)

Sr.No.	Particulars	Half Year Ended			Year Ended	
		31st March, 2026	30th September, 2025	31st March, 2025	31st March, 2026	31st March, 2025
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	Income from operations					
I	a. Revenue from Operations	14,606.89	24,027.08	38,041.31	38,633.97	74,716.65
II	b. Other Income	523.44	268.20	75.92	791.64	81.96
III	Total Income I-II	15,130.33	24,295.28	38,117.23	39,425.61	74,798.61
IV	Expenses					
	a. Cost of Material Consumed	11,204.69	15,108.32	30,090.81	26,313.01	57,168.95
	b. Purchase of Stock-in-Trade	78.31	4,617.53	5,317.59	4,695.84	9,812.54
	c. Change in inventories of finished goods, work-in-progress and stock-in-trade	3,349.99	2,643.23	(2,722.53)	5,993.22	(2,042.64)
	d. Employee Benefits Expenses	678.50	780.41	955.76	1,458.91	1,831.08
	e. Finance Costs	832.10	1,252.24	1,347.56	2,084.34	2,351.76
	f. Depreciation and Amortisation Expenses	269.59	310.24	340.49	579.83	570.74
	g. Other Expenses	4,906.25	2,003.60	4,040.22	6,909.85	6,054.26
	Total Expenses	21,319.43	26,715.57	39,369.90	48,035.00	75,746.69
V	Profit before exceptional and extraordinary items and tax (III-IV)	(6,189.10)	(2,420.29)	(1,252.67)	(8,609.39)	(948.08)
VI	Exceptional item	(67.70)	862.24	-	794.55	-
VII	Profit before extraordinary items and tax (V-VI)	(6,256.80)	(1,558.05)	(1,252.67)	(7,814.84)	(948.08)
VIII	Extraordinary items	-	-	-	-	-
IX	Profit before tax (VII-VIII)	(6,256.80)	(1,558.05)	(1,252.67)	(7,814.84)	(948.08)
X	Tax expense					
	a. Current Tax	-	-	(50.00)	-	-
	b. Previous Year Tax	-	-	-	-	-
	c. Deferred Tax	(1,468.99)	(589.73)	(252.29)	(2,058.72)	(226.29)
	d. MAT Credit Tax	-	-	-	-	-
XI	Profit (Loss) for the period from continuing operations (IX-X)	(4,787.81)	(968.32)	(950.38)	(5,756.12)	(721.79)
XII	Profit/Loss from discontinuing	-	-	-	-	-
XIII	Tax expense from discontinuing Operations	-	-	-	-	-
XIV	Profit (Loss) from discontinuing operations (after tax) (XII-XIII)					
XV	Profit (Loss) for the period (XI+XIV)	(4,787.81)	(968.32)	(950.38)	(5,756.12)	(721.79)
XVI	Add: share of profit/ (loss) of associates	-	-	-	-	-
XVII	Less: Minority interest	-	-	-	-	-
XVIII	Profit (Loss) for the period after share of profit / (loss) of associate and Minority interest (XV+XVI-XVII)	(4,787.81)	(968.32)	(950.38)	(5,756.12)	(721.79)
XIX	Paid up share capital - Equity share capital Face value Rs. 10/- per share	2,323.15	2,323.15	2,323.15	2,323.15	2,323.15
XX	Earning per share (face value of Rs. 10/- each)					
	Basic (in Rs.)	(20.61)	(4.17)	(4.09)	(24.78)	(3.11)
	Diluted (in Rs.)	(20.61)	(4.17)	(4.09)	(24.78)	(3.11)

This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Refer accompanying notes to financial results

For and on behalf of the Board
Swastik Pipe Limited


Sandeep Bansal
Managing Director
DIN: 00165391



Place: New Delhi
Date: 26th May 2026

SWASTIK PIPE LIMITED

CIN: L74899DL1973PLC006881

Regd. Office: 1/23B, Asaf Ali Road, Ajmeri Gate Extn., Central Delhi - 110002

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Standalone Cash Flow Statement for the Year Ended on March 31, 2026

(Amount in ₹ Lakhs, unless otherwise stated)

Particulars	31st March, 2026 (Audited)	31st March, 2025 (Audited)
Cash Flow From Operating Activities		
Profit Before Tax	(8,609.40)	(948.08)
Adjustment to reconcile profit before tax to net Cash Flows		
Provision for Gratuity	13.36	8.45
Provision for Doubtful Debts	30.97	21.33
Depreciation/ Amortization expenses	579.83	570.74
Interest on loan	2,084.34	2,351.76
Interest Income	(92.74)	(61.72)
Interest Received on Income Tax Refund	-	(3.58)
Profit /Loss on sale of Investment		
Profit /Loss on sale of fixed assets	(53.93)	(2.28)
Operating Profit before Working Capital changes	(6,047.57)	1,936.62
Movements in Working Capital		
Increase / (Decrease) in Other Liabilities	(233.22)	222.99
Increase / (Decrease) in Trade Payables	(13,974.14)	7,250.21
Decrease/ (Increase) in Trade receivable	6,882.23	(1,686.74)
Decrease/ (Increase) in Inventory	7,914.75	(2,246.82)
Decrease/(Increase) in other current assets	3,508.96	(3,031.91)
Net cash flow (used in) operations	4,098.58	507.73
Less: Direct taxes paid including Advance taxes	82.33	94.08
Less: Income Tax Refund Received	-	(52.44)
Less: Gratuity Paid	19.90	19.42
Net cash flow (used in) Operating activities (A)	(2,051.22)	2,383.29
Cash flows from Investing Activities		
Decrease/ (Increase) in other non-current assets	108.62	235.53
Decrease/ (Increase) in other advances to related Parties		
Decrease/(Increase) in other advances		
Sale proceeds from Investments		
Purchase of fixed assets	(803.54)	(1,137.64)
Sale of Fixed Assets	973.95	11.00
Sale of Investment		
Interest received	92.74	61.72
Net cash flow (used in)/ generated from Investing Activities (B)	371.78	(829.40)
Cash flows from Financing Activities		
Other Non- Current Liabilities		
Proceeds from Share Issued		-
Proceeds/(repayments) from/ of borrowings	2,599.19	1,358.44
Foreign Exchange gain		
Interest paid on loan	(2,084.34)	(2,351.76)
Net cash flow from/ (used in) in Financing Activities (C)	514.85	(993.32)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,164.60)	560.57
Cash and cash equivalents at the beginning of the year	1,627.04	1,066.47
Cash and cash equivalents at the end of the year	462.45	1,627.04

This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Refer accompanying notes to financial results

For and on behalf of the Board
Swastik Pipe Limited


Sandeep Bansal
DIN: 00165391



Place: New Delhi
Date: 26th May 2026

SWASTIK PIPE LIMITED

CIN: L74899DL1973PLC006881

Regd. Office: 1/23B, Asaf Ali Road, Ajmeri Gate Extn., Central Delhi - 110002

Website: www.swastikpipes.com, Email ID: info@swastikpipes.com

Notes to Audited Financial Results for the Half Year & Year Ended on March 31, 2026

1. The Above Statement of Audited Financial Results for the Half Year & Year ended on March 31, 2026, are prepared and published in accordance with Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended. These financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 26th May, 2026.
2. These Financial Results are prepared in accordance with the principles laid down in Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, read with the relevant Rules thereunder and other accounting principles generally accepted in India. However, as per the press release of MCA No. 11/10/2009 CL-V dated 2nd Jan 2015 Companies whose securities are listed on SME Exchange shall not be required to apply IND AS.
3. There are no investor complaints received/pending as on March 31, 2026.
4. As per requirements of regulation 33 of the Securities and Exchange Board of India, the company is required to publish Audited Financial Results. Investors can view the Audited Financial Results of the company for the half year and year ended on March 31, 2025 on the Company's website www.swastikpipes.com or on www.nseindia.com, the website of National Stock Exchange of India Limited (NSE).
5. a). The Haryana Government levied a Local Area Development Tax (the LADT Act) w.e.f. 05.05.2000 on the manufacturing units in the state of Haryana on the entry of goods for use and consumption. Some units have challenged the Act in the Hon'ble Punjab and Haryana High Court. The matter is currently sub-judice. Accordingly, there is total liability up to Mar, 2025 amounting to Rs 1,949.76 Lakhs (without interest) which is considered as contingent liability. b). The company, in compliance to U.P sales tax department directions vide order dated 05th May, 2018, has deposited Rs. 435.43 Lakhs (including interest), (Previous Year Rs 435.43 Lakhs) whole disputed demand under protest. Now, company has filed Writ petition in Supreme court on 30th March, 2019 and supreme court passed the order on 3rd May, 2019 referring the matter to Hon'ble Allahabad High Court. Hence in opinion of the company, it is a contingent liability on account of Entry tax and final liability will be accounted for on final decision of Hon'ble Allahabad High Court. c). Further company has also deposited Rs 44.83 Lakhs with Sales Tax authorities against detention of goods vehicles in earlier years and in other matters.
6. In the opinion of the management of the company, the value on realization of Current assets, Loans and Advances in the ordinary course of the business shall not be less than the amount at which they are stated, except the provision made by the company for disputed receivables. Further, Balances under some of the Trade Receivables, Trade Payable, Loans and Advances Payable or Receivable and other current and non-current assets and balances with revenue authorities are subject to its classification, confirmation and are subject to reconciliation.
7. During the financial year 2024-25, the Company had raised debit notes aggregating to Rs. 3,280.49 Lakhs on the Public Health & Engineering Departments of the States of Jammu & Kashmir and Himachal Pradesh (Shimla) towards interest on delayed realization of dues. The applicable Goods and Services Tax (GST) on the aforesaid amount was duly discharged in compliance with the applicable statutory provisions. Subsequently, based on the outcome of communications and personal meetings held with the concerned Government Departments and considering the uncertainty associated with realization of the said claims, the management, as a matter of prudence, decided to reverse the aforesaid interest claim in the books of account. Accordingly, during the financial year 2025-26, the Company reversed the Interest income amounting to Rs. 3,280.49 Lakhs pertaining to the respective Government Departments. However, the Company continues to pursue recovery of the aforesaid amount from the concerned Government Departments and has initiated appropriate legal recourse for realization of the claims. Further, The Company has also sent legal notice to Public Health & Engineering Department of the State of Jammu through lawyer on 15.05.2026. Considering the uncertainty involved in the ultimate realization of the aforesaid claims, no income has been recognized in respect thereof during the current financial year. The amount, if and when realized and/or the right to receive the same is finally established, shall be recognized in the books of account in the year of crystallization/realization.
8. During the year, the Company experienced financial stress leading to the classification of its bank borrowings as NPAs. However, the Management is of the view that the Company remains a Going Concern based on the following mitigating factors: 1. Ongoing Negotiations: The Company is in advanced stages of bilateral negotiations for an OTS with lenders. 2. Promoter Support: The Promoters have committed to providing necessary financial support to bridge liquidity gaps. 3. Operational Viability: The core business operations remain functional with a steady order book. Accordingly, these financial statements have been prepared on a going concern basis, and no adjustments have been made to the carrying value of assets or liabilities that might result from the outcome of this uncertainty.



The Company has availed various credit facilities from banks and other financial institutions and had been regularly servicing its principal and interest obligations in earlier periods. However, during the financial year 2025-26, the Company experienced significant liquidity constraints, primarily attributable to delays in realization of funds from Government Departments and substantial cash losses incurred during the year. Further, the reduction in available working capital adversely impacted business operations, resulting in a decline in turnover, increased cost of production and reduced operating margins. Consequently, the loan accounts of the Company with State Bank of India, Canara Bank and Bank of India were classified as Non-Performing Assets (NPA) during the financial year ended March 31, 2026, due to delays in repayment of principal and servicing of interest obligations. As at the balance sheet date, the aggregate overdue amount towards principal and interest payable to banks amounted to Rs. 13,928.81 Lakhs. The aforesaid borrowings are secured by charge on the current assets of the Company and charge on fixed assets, including land, factory shed and buildings, plant and machinery situated at the Kosi and Bahadurgarh units, and office premises located in Delhi, as collateral security. The facilities are also supported by personal guarantees extended by the promoters of the Company. Further, the accounts of the Company with certain other financial institutions have also become irregular. The Company is presently engaged in active bilateral discussions with banks and other financial institutions for a One-Time Settlement (OTS) and/or other mutually acceptable debt resolution arrangements. Pending the outcome of such discussions and in accordance with the terms of the underlying borrowing arrangements, the related borrowings have been classified as Current Liabilities in the financial statements. During the financial year ended March 31, 2026, the Company entered into and successfully completed a One-Time Settlement (OTS) arrangement with Vivriti Capital Ltd in respect of its outstanding borrowing amounting to Rs. 723.00 Lakhs. Pursuant to the terms of the settlement, the Company paid an amount of Rs. 356.00 Lakhs towards full and final settlement of the outstanding dues. The balance amount, being the liability waived by the financial institution under the OTS arrangement, has been recognized under "Other Income" in the Statement of Profit and Loss for the financial year ended March 31, 2026.

10. Previous period's figures have been regrouped/re-classified wherever necessary to make the same comparable.

For and on behalf of the Board
Swastik Pipe Limited

SBA
Sandeep Bansal
Managing Director
DIN: 00165391

Place: New Delhi
Date: 26th May 2026



CIN : L74899DU1973PLC006881
Phone : +91-11-35453545
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Website : www.swastikpipes.com



SWASTIK PIPE LTD.

MFRS. & EXPORTERS OF: GALVANISED & GREEN STEEL PIPES & TUBES, HOLLOW SECTIONS, CR COILS & STRIPS
(A GOVT. RECOGNISED STAR EXPORT HOUSE)
REGD. OFFICE : 1/23 B, ASAF ALI ROAD, NEW DELHI-110002

COMPLIANCE CERTIFICATE

Regulation 17(8) and Regulation 62D(14)

The following compliance certificate shall be furnished by chief financial officer:

A. I have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

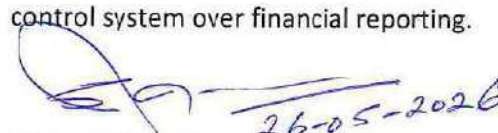
C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

D. I 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 they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.


SUNIL GAUTAM
CHIEF FINANCIAL OFFICER
SWASTIK PIPE LIMITED



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 Phone : +91-11-35453545
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SWASTIK PIPE LTD.

MFERS. & EXPORTERS OF: GALVANISED & GREEN STEEL PIPES & TUBES, HOLLOW SECTIONS, CR COILS & STRIPS
 (A GOVT. RECOGNISED STAR EXPORT HOUSE)
 REGD. OFFICE : 1/23 B, ASAF ALI ROAD, NEW DELHI-110002

Annex -A -2

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2026
 [See Regulation 52 of the Listing Regulations]

I.	Sl. No.	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total income	39425.61	39425.61
	2.	Total Expenditure	48035.00	44690.88
	3.	Current/Deferred Tax	(2058.72)	(1217.07)
	4.	Net Profit/ (Loss)	(5756.12)	(3253.65)
	5.	Earnings Per Share	(24.78)	(14.01)
	6.	Total Assets	34570.72	37073.18
	7.	Total Liabilities	34570.72	37073.18
	8.	Net Worth	14867.59	17370.06
	9.	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

We draw attention to Note No.7 to the financial statements regarding reversal of debit notes amounting to ₹3,344.12 lakhs during the year, which were originally recognised as income in the previous financial year. The said amount includes ₹3,280.49 lakhs relating to interest on delayed payments from Public Health & Engineering Departments of the States of Jammu & Kashmir and Himachal Pradesh, disclosed under "Other Expenses" in the previous year. The Company had also discharged applicable GST on the said income.

During the current year, based on communications and discussions with the respective departments, the management has reversed the aforesaid income in the books of account. However, the Company continues to pursue recovery of the said amounts through legal remedies and has initiated legal proceedings against the concerned departments.

In the absence of sufficient and appropriate audit evidence regarding the ultimate recoverability and crystallization of the aforesaid claims, and considering the uncertainty associated with the ongoing legal proceedings, the reversal of the said income has resulted in an understatement of profit / overstatement of loss for the year by ₹3,344.12 lakhs.

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- b. Type of Audit Qualification: Qualified Opinion/ ~~Disclaimer of Opinion~~/ Adverse Opinion
- c. Frequency of qualification: Whether appeared ~~first time~~/ repetitive/ ~~since how long continuing~~
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Management's Views

During the financial year 2024-25, the Company had raised debit notes aggregating to Rs. 3,280.49 Lakhs on the Public Health & Engineering Departments of the States of Jammu & Kashmir and Himachal Pradesh (Shimla) towards interest on delayed realization of dues. The applicable Goods and Services Tax (GST) on the aforesaid amount was duly discharged in compliance with the applicable statutory provisions.

Subsequently, based on the outcome of communications and personal meetings held with the concerned Government Departments and considering the uncertainty associated with realization of the said claims, the management, as a matter of prudence, decided to reverse the aforesaid interest claim in the books of account. Accordingly, during the financial year 2025-26, the Company reversed the interest income amounting to Rs. 3,280.49 Lakhs pertaining to the respective Government Departments.

However, the Company continues to pursue recovery of the aforesaid amount from the concerned Government Departments and has initiated appropriate legal recourse for realization of the claims. Further, The Company has also sent legal notice to Public Health & Engineering Department of the State of Jammu through lawyer on 15.05.2026.

Considering the uncertainty involved in the ultimate realization of the aforesaid claims, no income has been recognized in respect thereof during the current financial year. The amount, if and when realized and/or the right to receive the same is finally established, shall be recognized in the books of account in the year of crystallization/realization.

- e. For Audit Qualification(s) where the impact is not quantified by the auditor:

- (i) Management's estimation on the impact of audit qualification:

No impact

- (ii) If management is unable to estimate the impact, reasons for the same:

Management is of the view that all the assets and liabilities has been taken as good and at their realisable value.

Management is of the view that the Company remains a Going Concern based on the negotiation with lenders for an OTS, operational viability based on the order and promoter's support

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

- a) We draw attention to Note No. 6 to the financial statements regarding balances under Trade Receivables, Trade Payables, Loans and Advances recoverable/payable and other current and non-current assets including

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T.T Swastik



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balances with revenue authorities and few NBFC loan balances/bank balance, which are subject to confirmation, reconciliation and consequential adjustments/classification, if any. Further, Company has made provision only for disputed trade receivable and not made the provision on trade receivable which are undisputed outstanding since long time.

In absence of independent balance confirmations and completion of reconciliation process, we are unable to obtain sufficient and appropriate audit evidence regarding the accuracy, completeness and recoverability / payability of such balances. Consequently, we are unable to determine the impact, if any, of adjustments that may be required to these balances and the consequential effect on the financial statements.

We draw attention to Note No. 8 to the financial statements, wherein the Company has disclosed that during the year it has experienced significant financial stress, resulting in classification of its bank borrowings as Non-Performing Assets (NPAs).

The Company has prepared the financial statements on a going concern basis based on management's assessment of certain mitigating factors, including bilateral ongoing negotiations for One-Time Settlement (OTS) with lenders, expected financial support from promoters, and continuation of core business operations supported by an existing order book.

However, in the absence of sufficient and appropriate audit evidence to support the successful conclusion of OTS arrangements, enforceability and availability of committed promoter funding, and the Company's ability to generate adequate future cash flows to meet its obligations as they fall due, material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter.

III.

Signatories:

☐ Chief Executive Officer/ Managing Director

☒ Chief Financial Officer

☐ Audit Committee Chairman

☒ Statutory Auditor

Place: New Delhi
Date: 26th May, 2026

Sandeep Bansal
Sunil Gautam
Rajinder Kumar Anan
Om Prakash Aggarwal