

# ELECTROSTEEL CASTINGS LIMITED

H.O. : G.K. Tower, 19, Camac Street, Kolkata 700 017, India  
Regd. Office : Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017  
Tel : +91 33-2283 9900, 7103 4400  
CIN : L27310OR1955PLC000310  
Web : www.electrosteelcastings.com



13 August 2019

## BSE Limited

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

## National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

Scrip Code: **500128**

Symbol: **ELECTCAST**

Dear Sir/Madam,

### **Sub: Outcome of Meeting of the Board of Directors of the Company held on 13 August 2019**

This is to inform you that the Board of Directors at its meeting held on even date, has, inter-alia:

1. approved the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended 30 June 2019. In compliance with the provisions of Regulation 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please find enclosed herewith, the aforesaid Financial Results, along with the Limited Review Reports of the Statutory Auditors thereon.
2. accepted the resignation of Ms. Subhra Giri Patnaik from the post of Company Secretary and Compliance Officer of the Company, with effect from 13 August 2019.
3. appointed Mr. Indranil Mitra as the Company Secretary and Compliance Officer of the Company, with effect from 13 August 2019.
4. appointed Mr. Ashutosh Agarwal as the Executive Director (Group Finance) and CFO of the Company, with effect from 13 August 2019.

The details as required under Regulation 30 - Para A of Part A of Schedule III to the Listing Regulations, with respect to change in directors and key managerial personnel are given below:

Particulars	Ms. Subhra Giri Patnaik	Mr. Indranil Mitra	Mr. Ashutosh Agarwal
Reason for change	Ms. Subhra Giri Patnaik has resigned from the post of Company Secretary and Compliance Officer of the Company.	Mr. Indranil Mitra has been appointed as the Company Secretary and Compliance Officer of the Company.	Mr. Ashutosh Agarwal has been appointed as the Executive Director (Group Finance) and CFO of the Company.

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Follow the Electrosteel Group on



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Date of appointment/cessation and term of appointment	Resigned with effect from 13 August 2019.	Appointed with effect from 13 August 2019.	Appointed with effect from 13 August 2019.
Brief Profile	--	Mr. Indranil Mitra is a member of the Institute of Company Secretaries of India. He has over 15 years of experience in handling secretarial and legal matters. He was earlier associated with Nicco Group, GPT Infraprojects Ltd. and McNally Bharat Engineering Company Ltd. (B. M. Khaitan group) holding senior management profiles and functioning as the group Company Secretary.	Mr. Ashutosh Agarwal is a member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India and has also completed his CS (Inter) from the Institute of Company Secretaries of India. He has more than 30 years (post qualification) experience in the fields of Finance, Accounts, Corporate affairs and Commercial matters. He is currently looking after all the financial matters of the Electrosteel Group. He also serves as a Non-Executive, Non-Independent Director on the board of Srikalahasthi Pipes Limited.

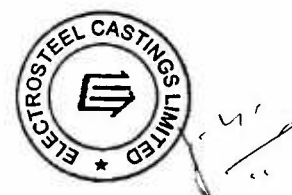
Further, pursuant to Regulation 30(5) of the Listing Regulations, the Board has authorised Mr. Mahendra Kumar Jalan, Whole-time Director, Mr. Ashutosh Agarwal, Executive Director (Group Finance) and CFO, and Mr. Indranil Mitra, Company Secretary of the Company, for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the stock exchange(s) under the said Regulation.

The contact details of the aforesaid Key Managerial Personnel are given below:

Mr. Mahendra Kumar Jalan	Mr. Ashutosh Agarwal	Mr. Indranil Mitra
Whole-time Director	Executive Director (Group Finance) and CFO	Company Secretary
Electrosteel Castings Limited	Electrosteel Castings Limited	Electrosteel Castings Limited
G. K. Tower,	G. K. Tower,	G. K. Tower,
19 Camac Street,	19 Camac Street,	19 Camac Street,
Kolkata - 700 017	Kolkata - 700 017	Kolkata - 700 017
E-mail ID: companysecretary@electrosteel.com	E-mail ID: companysecretary@electrosteel.com	E-mail ID: companysecretary@electrosteel.com
Phone: +91 33 2283 9990	Phone: +91 33 2283 9990	Phone: +91 33 2283 9990

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Web : www.electrosteelcastings.com



Time of Commencement of Meeting: 1230 Hours  
Time of Conclusion of Meeting: 1618 Hours

This is for your information and records.

Thanking you.

Yours faithfully,

**For Electrosteel Castings Limited**

A handwritten signature in black ink, appearing to read 'Indranil Mitra'.

**Indranil Mitra**  
Company Secretary



Encl.: a/a



# Singhi & Co.

## Chartered Accountants

161, SARAT BOSE ROAD, KOLKATA-700 026, (INDIA)

☎ : +91(0)33-2419 6000/01/02 • E-mail : kolkata@singhico.com • Website : www.singhico.com

**Independent Auditor's Review Report on the Quarterly Standalone Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To,  
The Board of Directors,  
Electrosteel Castings Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Electrosteel Castings Limited** ("the Company") for the Quarter ended June 30, 2019 ("the Statement") 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 Regulation'), read with SEBI Circular No. CIR/CFD/CMD1 /44/2019 dated March 29, 2019 ('the Circular').
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors in their meeting held on August 13, 2019, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133, of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the following notes of the accompanying results:
  - a) Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.
  - b) Note No. 7 in respect to Company's investment amounting to Rs. 1653.76 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble Calcutta High Court. Further certain fixed assets of Elavur plant of the Company which are mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken during the quarter, has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

- c) Note no. 8 in respect to carry forward of assets amounting to Rs. 4096.86 Lakhs at existing carrying value instead of lower of its carrying amount & fair value for the reasons stated in the note. The impact and consequential adjustment thereof are not presently ascertainable.
- d) *Impacts with respect to (a), (b) & (c) above are presently not ascertainable and as such cannot be commented upon by us.*

Based on our review conducted as stated above, we report that, *excepting the possible effect of the matters stated above*, nothing has come to our attention that causes us to believe that the accompanying statement of the Results, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material mis-statement.

5. Attention is drawn to the fact that the figures for the quarter ended March 31, 2019 as reported in these financial results are the balancing figures between audited figures in respect of full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of the previous financial year had only been reviewed and not subjected to audit.

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E



(GOPAL JAIN)

Partner

Membership No. 59147

UDIN: 19059147A A A A A W9185

Place: Kolkata

Date: 13<sup>th</sup> Day of August, 2019



**ELECTROSTEEL CASTINGS LIMITED**

CIN: L27310OR1955PLC000310

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

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

Corporate Office: 19, Camac Street, Kolkata 700 017

Website: www.electrosteelcastings.com

E-mail: companysecretary@electrosteel.com

(Rs.in lakhs)

**STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED 30/06/2019**

Particulars	3 months ended 30/06/2019	Preceding 3 months ended 31/03/2019	Corresponding 3 months ended in the previous year 30/06/2018	Year to date figures for previous year ended 31/03/2019
	(Unaudited)	(Audited) (Refer Note 11)	(Unaudited)	(Audited)
1. Revenue From Operations	62731.96	67325.32	50169.92	239060.75
2. Other Income	781.80	1699.97	1559.30	6413.50
3. <b>Total income ( 1 + 2 )</b>	<b>63513.76</b>	69025.29	51729.22	245474.25
4. <b>EXPENSES</b>				
(a) Cost of materials consumed	29478.81	29109.30	23139.63	110588.28
(b) Purchases of Stock-in-Trade	694.38	1355.59	1212.65	5641.66
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(1044.03)	2342.37	(3123.55)	(6268.58)
(d) Employee benefits expense	3830.95	3784.12	3506.75	15185.11
(e) Finance costs	5128.45	4767.54	6567.12	22540.22
(f) Depreciation and amortization expense	1277.58	1316.46	1420.25	5481.79
(g) Other expenses	18971.26	22301.56	18236.12	79249.65
<b>Total expenses</b>	<b>58337.40</b>	64976.94	50958.97	232418.13
5. <b>Profit / (Loss) before exceptional items and tax ( 3 - 4 )</b>	<b>5176.36</b>	4048.35	770.25	13056.12
6. Exceptional Items	-	-	(57868.38)	(78990.08)
7. <b>Profit / (Loss) before tax ( 5 - 6 )</b>	<b>5176.36</b>	4048.35	(57098.13)	(65933.96)
8. Tax expense:				
Current tax	-	-	-	-
Deferred tax	1827.21	2267.20	270.80	(2348.16)
Related to earlier year	(17.75)	-	-	-
9. <b>Profit / (Loss) for the period ( 7 - 8 )</b>	<b>3366.90</b>	1781.15	(57368.93)	(63585.80)
10. <b>Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans	56.45	175.28	4.30	188.18
b) Equity instruments through other comprehensive income	-	(1.20)	1488.67	(623.72)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(19.73)	(60.97)	(1.50)	(70.75)
B (i) Items that will be reclassified to profit or loss				
a) Effective portion of Cash flow hedge reserve	-	-	117.45	267.44
(ii) Income tax related to items that will be reclassified to profit or loss	-	-	(41.04)	(93.46)
<b>Other Comprehensive Income for the period (net of tax)</b>	<b>36.72</b>	113.11	1567.88	(332.31)
11. <b>Total Comprehensive Income for the period ( 9 + 10 )</b>	<b>3403.62</b>	1894.26	(55801.05)	(63918.11)
12. Paid-up equity share capital (Face value - Re. 1/-)	4054.82	4054.82	3569.55	4054.82
13. <b>Other equity excluding revaluation reserve</b>				233755.14
14. <b>Earnings per equity share of par value of Re. 1 each.</b>				
(1) Basic (Rs.)	0.83	0.46	(16.07)	(16.44)
(2) Diluted (Rs.)	0.83	0.46	(16.07)	(16.44)



**Notes:**

1. The above financial results which have been prepared in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2019. The above results have been subjected to Limited Review by the Statutory Auditors.
2. The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
3. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect expired on January 11, 2017, The Company filed a writ petition before the Hon'ble High Court of Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the Hon'ble High Court, Rs.4743.96 lakhs so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress and advances.
4. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Company, the Hon'ble High Court at Delhi has pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company before the Hon'ble High Court, the Hon'ble Court had directed the Nominated Authority under Ministry of Coal to expedite the matter. The Hon'ble Court had further directed the Nominated Authority to take decisions within a specific time frame. On an application filed by the Company, the Hon'ble High Court has set aside the orders passed by which the Nominated Authority had upheld its decision of compensation paid earlier. The Court has further directed to the company and the Nominated Authority to submit further documents/seek necessary informations to further pursue the matter. The next hearing of the case has been fixed on 20/08/2019.

Pending finalisation of the matter as above;

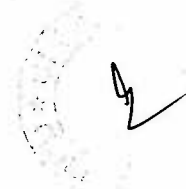
- (i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;
- (ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and
- (iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2054.70 lakhs have been adjusted.

Disclosure as per Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

5. In terms of the Hon'ble Supreme Court Order as referred above, North Dhadhu Coal Block, allotted in joint venture with other companies, has also been cancelled w.e.f. September 24, 2014. The Company barring initial contribution of Rs. 822.81 lakhs and Company's share of bank guarantee amounting to Rs. 2745.00 lakhs (encashment of which has been stayed by Hon'ble High Court of Jharkhand) has not made any further investments in the said joint venture company. In view of the management, the compensation to be received in terms of the "The Coal Mines (Special Provision) Ordinance 2014" is expected to cover the cost incurred by the Joint Venture Company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 822.81 lakhs in Joint venture was made in the previous year. In view of stay order by Hon'ble High Court, no provision in the share of the said bank guarantee has been considered necessary.
6. The Board of Directors of the Company, at its meeting held on August 11, 2014 had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary, Mahadev Vyapaar Pvt. Ltd. with the Company with effect from April 1, 2014 ("Appointed Date"). Pending approval by National Company Law Tribunal, Cuttack Bench ("NCLT"), no effect of the Scheme has been carried out.
7. In view of non availability of fair value of shares of Electrosteel Steels Limited (ESL) due to delisting, the Company has continued to consider the exit price as the basis of valuation of Investment in ESL which is open till December 20, 2019. The notices issued by the consortium of lenders of ESL for invocation of pledge of company's investment of 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 1653.76 lakhs was set aside by the Hon'ble High Court of Calcutta. The plea of the company for release of the pledge is pending before the Hon'ble Court. Further during the quarter the party, in whose favour rights of mortgage of certain Land & Building amounting to Rs. 29566.96 lakhs of the Company situated at Elavur, Tamilnadu, were assigned by a lender of the ESL, has taken the symbolic possession of said mortgaged property and the same has been contested by the Company. Pending settlement of the matter, these assets have been carried forward at their carrying book value.



8. Capital work in progress and Security deposits includes a sum of Rs. 4066.42 lakhs and Rs. 30.44 lakhs respectively towards amount incurred towards construction of railway siding in Haldia, West Bengal . The railway authorities had withdrawn permission for the railway siding . On the petition filed by the company, the Hon'ble High Court at Calcutta has appointed an arbitrator to adjudicate the matter and advised the company to file its claim for compensation for expenses incurred against said railway siding. Pending finalization of the matter these assets have been carried forward at their existing carrying cost. The management expects to recover the entire cost incurred for the above railway siding.
9. During the quarter the Company has commissioned its Ferro Alloy Plant (1 no. 9 MVA Submerged Electric ARC Furnace). The Ferro Alloy plant has been capitalised w.e.f. July 1, 2019.
10. Effective from April 1, 2019, the Company has adopted IND AS 116 "Leases" and applied the same to lease contracts existing on April 1, 2019 by using modified retrospective approach. By application of the standard the "Right of Use" (ROU) has been created with corresponding Lease Liability with due adjustment. The impact of application of IND AS 116 on the statement of Profit and Loss is not significant on the quarter ended June 30, 2019. Comparatives for previous quarter/period have not been retrospectively adjusted.
11. The figures for the quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figure upto December 31, 2018.
12. Previous periods' figures have been regrouped/rearranged wherever necessary.



For ELECTROSTEEL CASTINGS LTD.

**Umang Kejriwal**

Managing Director  
(DIN: 00065173)

Kolkata  
August 13, 2019



**Independent Auditor's Review Report on the Quarterly Consolidated Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To,  
The Board of Directors,  
Electrosteel Castings Limited

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results of **Electrosteel Castings Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit after tax and total comprehensive income of its associates and joint ventures for the quarter ended June 30, 2019 ("the Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Regulation"), read with SEBI's Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018 and quarter ended March 31, 2019, as reported in these unaudited consolidated financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors in their meeting held on August 13, 2019, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133, of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

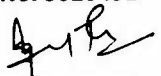
<b>Name of the Subsidiaries</b>	
Electrosteel Trading S.A. Spain	Electrosteel Europe S.A.
Mahadev Vyapaar Private Limited	Electrosteel Algeria SPA
Electrosteel castings Gulf FZE	Electrosteel Castings (UK) Limited
Electrosteel Doha for Trading LLC	Electrosteel USA, LLC
Electrosteel Brasil Ltd. Tubos e Conexoes Duteis	WaterFab LLC (acquired 100% share capital through wholly owned subsidiary Electrosteel USA, LLC)
Electrosteel Bahrain Holding Company S.P.C	Electrosteel Bahrain Trading W.L.L (Subsidiary of Electrosteel Bahrain Holding Company S.P.C)
<b>Name of the Associate companies</b>	
Srikalahasthi Pipes Limited	Electrosteel Thermal Power Limited
<b>Name of the Joint Venture Companies</b>	
North Dhadhu Mining Company Private Limited (Refer note 10 below)	Domco Private Limited (Refer note 11 below)

5. Attention is drawn to the following notes of the accompanying results:

- a) Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalization of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.
  - b) Note No. 7 in respect to Company's investment amounting to Rs. 1653.76 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble Calcutta High Court. Further certain fixed assets of Elavur plant of the Company which are mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken during the quarter, has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.
  - c) Note no. 8 in respect to carry forward of assets amounting to Rs. 4096.86 Lakhs at existing carrying value instead of lower of its carrying amount & fair value for the reasons stated in the note. The impact and consequential adjustment thereof are not presently ascertainable.
  - d) *Impacts with respect to (a), (b) & (c) above are presently not ascertainable and as such cannot be commented upon by us.*
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors and management certified accounts referred to in paragraph 7 and 8 below, we report that, *excepting the possible effect of the matters stated in paragraph 5 above*, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation read with Circular, including the manner in which it is to be disclosed, or that it contains any material mis-statement.

7. We did not review the interim financial results & other financial information in respect of three subsidiaries included in this consolidated unaudited financial results, whose interim financial results reflects total revenue of Rs. 15754.19 Lakhs, total net profit after tax of Rs. 278.01 Lakhs and total other comprehensive income of Rs. 99.15 Lakhs for the quarter ended June 30,2019 and interim financial results & financial information in respect to group's share of net profit after tax of Rs. 1379.45 Lakhs and other comprehensive loss of Rs. 1.61 Lakhs in respect of one associate, as considered in the consolidated unaudited financial results. These financial results have been reviewed by other auditors and whose reports have been furnished to us by the management. Our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the associate is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the statement is not modified in respect of the above matter.
8. These subsidiaries are located outside India whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.
9. The statement includes the interim financial results of nine subsidiaries (including two step down subsidiaries) whose interim financial results reflects total revenues of Rs. 8157.45 Lakhs, total net profit after tax of Rs. 290.09 Lakhs and total other comprehensive loss of Rs. 73.88 Lakhs for the quarter ended June 30, 2019 and the interim financial results of one associate which reflects group's share of net loss after tax of Rs. 0.10 Lakh and other comprehensive income of Nil, for the quarter ended June 30, 2019 which have not been reviewed by their auditors and have been certified by the management. According to the information and explanations given to us by the Management, these financial results are not material to the group. Our conclusion on the Statement is not modified in respect of the above matter.
10. As stated in Note No.5 of the unaudited consolidated financial results, the investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the Holding Company, has been fully provided in the books. In view of this the results of North Dhadhu Mining Company Private Limited have not been incorporated in the results.
11. As stated in Note No. 11 of the unaudited consolidated financial results, the financial statements of Domco Private Limited, a joint venture, have not been consolidated in the results, due to non availability of the Statements as required in terms of IND AS-28 on "Investments in Associates and Joint Ventures".
12. Attention is drawn to the fact that the figures for the quarter ended March 31, 2019 as reported in these consolidated financial results are the balancing figures between audited figures in respect of full previous financial year and year to date figures up to the third quarter of the previous financial year.

For Singhi & Co.  
Chartered Accountants  
Firm's Registration No. 302049E



(GOPAL JAIN)

Partner

Membership No. 59147

UDIN: 19059147AAAAAX9434



**ELECTROSTEEL CASTINGS LIMITED**  
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(Rs.in lakhs)

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER ENDED 30/06/2019**

Particulars	3 months ended 30/06/2019	Preceding 3 months ended 31/03/2019	Corresponding 3 months ended in the previous year 30/06/2018	Year to date figures for previous year ended 31/03/2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue From Operations	65326.50	75742.34	57699.60	269943.64
2. Other Income	836.62	2324.00	1690.58	5690.94
3. <b>Total income ( 1 + 2 )</b>	<b>66163.12</b>	<b>78066.34</b>	<b>59390.18</b>	<b>275634.58</b>
4. <b>EXPENSES</b>				
(a) Cost of materials consumed	29478.81	29109.30	23139.63	110588.28
(b) Purchases of Stock-in-Trade	3646.04	2296.74	3685.18	15166.64
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(4868.75)	4053.03	(2500.39)	(5209.81)
(d) Employee benefits expense	5166.57	5357.36	4950.50	20862.25
(e) Finance costs	5325.99	5027.66	6800.19	23464.52
(f) Depreciation and amortization expense	1361.15	1427.65	1502.62	5851.40
(g) Other expenses	21702.89	24898.49	20360.74	89068.03
<b>Total expenses</b>	<b>61812.70</b>	<b>72170.23</b>	<b>57938.47</b>	<b>259791.31</b>
5. <b>Profit / (Loss) before exceptional items and tax ( 3 - 4 )</b>	<b>4350.42</b>	<b>5896.11</b>	<b>1451.71</b>	<b>15843.27</b>
6. Exceptional Items	-	-	2724.50	(18397.20)
7. <b>Profit / (Loss) before tax ( 5 - 6 )</b>	<b>4350.42</b>	<b>5896.11</b>	<b>4176.21</b>	<b>(2553.93)</b>
8. Tax expense:				
Current tax	37.41	289.44	48.89	537.80
Deferred tax	1826.77	2267.35	281.48	(2337.65)
Related to earlier year	(17.75)	-	-	-
9. <b>Profit/(Loss) after tax (7-8)</b>	<b>2503.99</b>	<b>3339.32</b>	<b>3845.84</b>	<b>(754.08)</b>
10. Add:-Share of Profit/(Loss) in Associates and Joint Venture	1379.35	1476.13	715.89	4619.89
11. <b>Profit/(Loss) for the period (9+10)</b>	<b>3883.34</b>	<b>4815.45</b>	<b>4561.73</b>	<b>3865.81</b>
12. <b>Profit/(Loss) for the period attributable to:</b>				
- Owners of the Parent	3876.76	4805.03	4550.62	3817.06
- Non-Controlling Interest	6.58	10.42	11.11	48.75
13. <b>Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit and loss				
a) Remeasurements of the defined benefit plans	56.45	175.28	4.30	188.18
b) Equity instruments through other comprehensive income	-	(1.20)	1488.67	(623.72)
(ii) Income tax relating to items that will not be reclassified to profit and loss	(19.73)	(60.97)	(1.50)	(70.75)
B (i) Items that will be reclassified to profit and loss				
a) Exchange differences in translating the financial statements of foreign operations	25.27	(233.46)	136.58	(30.33)
b) Effective portion of Cash flow hedge reserve	-	-	117.45	267.44
(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	(41.04)	(93.46)
C Share of Other Comprehensive Income in Associate (net of tax)	(1.61)	(13.41)	2.32	(6.45)
<b>Other Comprehensive Income for the period (net of tax)</b>	<b>60.38</b>	<b>(133.76)</b>	<b>1706.78</b>	<b>(369.09)</b>
14. <b>Other Comprehensive Income for the period attributable to:</b>				
- Owners of the Parent	60.38	(133.76)	1706.78	(369.09)
- Non-Controlling Interest	-	-	-	-
15. <b>Total Comprehensive Income for the period (11+13)</b>	<b>3943.72</b>	<b>4681.69</b>	<b>6268.51</b>	<b>3496.72</b>
16. <b>Total Comprehensive Income for the period attributable to:</b>				
- Owners of the Parent	3937.14	4671.27	6257.40	3447.97
- Non-Controlling Interest	6.58	10.42	11.11	48.75
17. <b>Paid-up equity share capital (Face value - Re. 1/-)</b>	<b>4054.82</b>	<b>4054.82</b>	<b>3569.55</b>	<b>4054.82</b>
18. <b>Other equity excluding revaluation reserve</b>				<b>259797.79</b>
19. <b>Earnings per equity share of per value of Re. 1 each.</b>				
(1) Basic (Rs.)	0.96	1.19	1.27	0.99
(2) Diluted (Rs.)	0.96	1.19	1.27	0.99



**Notes:**

1. The above consolidated financial results which have been prepared in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), have been reviewed by the the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2019. The consolidated results for the quarter ended June 30, 2019 have been subjected to Limited Review by the Statutory Auditors of the group.
2. The group operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
3. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect expired on January 11, 2017. The parent Company filed a writ petition before the Hon'ble High Court of Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the parent Company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the Hon'ble High Court, Rs.4743.96 lakhs so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress and advances.
4. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the parent Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the parent Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Parent Company, the Hon'ble High Court at Delhi has pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Parent Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Parent Company before the Hon'ble High Court, the Hon'ble Court had directed the Nominated Authority under Ministry of Coal to expedite the matter. The Hon'ble Court had further directed the Nominated Authority to take decisions within a specific time frame. On an application filed by the Parent Company, the Hon'ble High Court has set aside the orders passed by which the Nominated Authority had upheld its decision of compensation paid earlier. The Court has further directed to the parent Company and the Nominated Authority to submit further documents/seek necessary informations to further pursue the matter. The next hearing of the case has been fixed on 20/08/2019.  
Pending finalisation of the matter as above;

- (i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the parent Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;
- (ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and
- (iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2054.70 lakhs have been adjusted.

Disclosure as per Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

5. In terms of the Hon'ble Supreme Court Order as referred above, North Dhadhu Coal Block, allotted in joint venture with other companies, has also been cancelled w.e.f. September 24, 2014. The parent Company barring initial contribution of Rs. 822.81 lakhs and its share of bank guarantee amounting to Rs. 2745.00 lakhs (encashment of which has been stayed by Hon'ble High Court of Jharkhand) has not made any further investments in the said joint venture company. In view of the management, the compensation to be received in terms of the "The Coal Mines (Special Provision) Ordinance 2014" is expected to cover the cost incurred by the Joint Venture Company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 822.81 lakhs in Joint venture was made in the previous year. In view of stay order by Hon'ble High Court, no provision in the share of the said bank guarantee has been considered necessary. In view of the provision made during the quarter ended March 19, the performance of the joint venture company has not been consolidated during the quarter ended June 19.
6. The Board of Directors of the parent Company, at its meeting held on August 11, 2014 had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary, Mahadev Vyapaar Pvt. Ltd. with the parent Company with effect from April 1, 2014 ("Appointed Date"). Pending approval by National Company Law Tribunal, Cuttack Bench ("NCLT"), no effect of the Scheme has been carried out.
7. In view of non availability of fair value of shares of Electrosteel Steels Limited (ESL) due to delisting, the group has continued to consider the exit price as the basis of valuation of Investment in ESL which is open till December 20, 2019. The notices issued by the consortium of lenders of ESL for invocation of pledge of groups investment of 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 1653.76 lakhs was set aside by the Hon'ble High Court of Calcutta. The plea of the parent Company for release of the pledge is pending before the Hon'ble Court. Further during the quarter the party, in whose favour rights of mortgage of certain Land & Building amounting to Rs. 29566.96 lakhs of the parent Company situated at Elavur, Tamilnadu, were assigned by a lender of the ESL, has taken the symbolic possession of said mortgaged property and the same has been contested by the parent Company. Pending settlement of the matter, these assets have been carried forward at their carrying book value.



8. Capital work in progress and Security deposits includes a sum of Rs. 4066.42 lakhs and Rs. 30.44 lakhs respectively towards amount incurred towards construction of railway siding in Haldia, West Bengal. The railway authorities had withdrawn permission for the railway siding . On the petition filed by the parent Company, the Hon'ble High Court at Calcutta has appointed an arbitrator to adjudicate the matter and advised the parent Company to file its claim for compensation for expenses incurred against said railway siding. Pending finalization of the matter these assets have been carried forward at their existing carrying cost. The management expects to recover the entire cost incurred for the above railway siding.
9. During the quarter the group has commissioned its Ferro Alloy Plant (1 no. 9 MVA Submerged Electric Arc Furnace). The Ferro Alloy plant has been capitalised w.e.f. July 1, 2019.
10. Effective from April 1, 2019, the group has adopted IND AS 116 "Leases" and applied the same to lease contracts existing on April 1, 2019 by using modified retrospective approach. By application of the standard the "Right of Use (ROU)" has been created with corresponding Lease Liability with due adjustment. The impact of application of IND AS 116 on the statement of Profit and Loss is not significant on the quarter ended June 30, 2019. Comparatives for previous quarter/period have not been retrospectively adjusted.
11. The parent has investment of Rs. 730.00 lakhs (including advance of Rs. 700.00 lakhs) in Domco Private Limited (DPL), and has joint control (proportion of ownership interest of the parent Company being 50%). The other Venturers had filed a petition before the Company Law Board, Principal Bench, New Delhi (CLB) on various matters including for forfeiture of the parent Company's investment in equity shares of the DPL. The parent Company had also inter alia filed an arbitration proceeding under Arbitration & Conciliation Act, 1996 against recovery of the said amount against which the ventures also filed their counter claims on the parent Company. The matter is sub judice before the NCLT. Pending final outcome of the above matter, the amounts in equity shares and advance have been fully provided for in the financial statements. The other venturers since not providing the financial statements of DPL, and thereby necessary disclosures could not be provided in these financial results.
12. The consolidated figures for the quarter ended March 31, 2019 is the balancing figures between the audited figures in respect of the full financial year and year to date upto December 31, 2018. The consolidated results for the quarter ended March 31, 2019 and for the quarter ended June 30, 2018 have been approved by the Board of Directors but have not been subjected to review by the statutory auditors of the group.
13. Previous periods' figures have been regrouped/rearranged wherever necessary.



For **ELECTROSTEEL CASTINGS LTD.**

**Umang Kejriwal**

Kolkata  
August 13, 2019

Managing Director  
(DIN: 00065173)