

# 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, 2021

**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, 2021**

Pursuant to Regulation 30 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please be informed that the Board of Directors, at its meeting held today, have, inter-alia, approved the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended 30 June, 2021.

In compliance with provisions of Regulation 33 and other applicable provisions of the Listing Regulations, please find enclosed herewith, the aforesaid Financial Results, along with the Limited Review Reports of the Statutory Auditors, thereon.

Time of Commencement of Meeting: 1145 Hours

Time of Conclusion of Meeting: 1520 Hours

This is for your information and records.

Thanking you.

Yours faithfully,

**For Electrosteel Castings Limited**

**Indranil Mitra**  
**Company Secretary**  
ICSI: A20387

Encl.: As above

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**Independent Auditor's Review Report on the Quarterly Unaudited Standalone 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 unaudited standalone financial results of **Electrosteel Castings Limited** ("the Company") for the quarter ended June 30, 2021 ("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, 2021, 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. 6 in respect to Company's investment amounting to Rs. 3612.61 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 High Court at Calcutta. Further the Land of Elavur plant of the Company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the earlier years, 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. 7 in respect to carry forward of claim recoverable amounting to Rs. 1778.11 Lakhs towards the compensation claimed from the Railway Authorities as mentioned in the note. The recovery of the same is dependent on the outcome of the arbitration process and is not presently ascertainable.

*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 also drawn to the fact that the figures for the quarter ended March 31, 2021 as reported in these financial results are the balancing figures between audited figures in respect of full financial year ended March 31, 2021 and the published year to date figures up to the third quarter of the previous financial year, which were subject to limited review by us.



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

(Gopal Jain)  
Partner

Membership No. 059147  
UDIN: 21059147AAAA CF9389

Place: Kolkata  
Date: August 13, 2021

**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 UNAUDITED STANDALONE RESULTS FOR THE QUARTER ENDED 30/06/2021**

Particulars	3 months ended 30/06/2021	Preceding 3 months ended 31/03/2021	Corresponding 3 months ended in the previous year 30/06/2020	Year to date figures for previous year ended 31/03/2021
	(Unaudited)	(Audited) (Refer Note No.11)	(Unaudited)	(Audited)
1. Revenue From Operations	60027.28	72076.64	18883.86	223611.59
2. Other Income	607.21	1169.82	331.74	4275.53
3. <b>Total income ( 1 + 2 )</b>	<b>60634.49</b>	73246.46	19215.60	227887.12
4. <b>EXPENSES</b>				
(a) Cost of materials consumed	35140.82	34784.16	9918.77	103701.42
(b) Purchases of Stock-in-Trade	706.93	783.53	305.73	3199.60
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(5807.45)	722.77	(712.38)	3232.14
(d) Employee benefits expense	4121.69	4746.42	3216.11	17055.77
(e) Finance costs	4998.78	5635.89	4425.83	18383.15
(f) Depreciation and amortization expense	1339.81	1315.95	1266.07	5267.21
(g) Other expenses	18830.54	22689.95	8051.58	72152.97
<b>Total expenses</b>	<b>59331.12</b>	70678.67	26471.71	222992.26
5. <b>Profit / (Loss) before tax ( 3 - 4 )</b>	<b>1303.37</b>	2567.79	(7256.11)	4894.86
6. Tax expense:				
Current tax	667.67	963.40	-	1796.30
Deferred tax	(394.97)	(348.24)	(1900.28)	(1154.54)
Related to earlier year	-	(71.01)	-	(71.01)
7. <b>Profit / (Loss) for the period ( 5 - 6 )</b>	<b>1030.67</b>	2023.64	(5355.83)	4324.11
8. <b>Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans	30.31	118.69	0.85	121.23
b) Equity instruments through other comprehensive income	(0.33)	2462.95	26.42	2504.14
(ii) Income tax relating to items that will not be reclassified to profit or loss	(7.55)	(29.88)	(6.26)	(39.94)
B (i) Items that will be reclassified to profit or loss	-	-	-	-
<b>Other Comprehensive Income for the period (net of tax)</b>	<b>22.43</b>	2551.76	21.01	2585.43
9. <b>Total Comprehensive Income for the period ( 7 + 8 )</b>	<b>1053.10</b>	4575.40	(5334.82)	6909.54
10. Paid-up equity share capital (Face value - Re. 1/-)	4329.55	4329.55	4329.55	4329.55
11. <b>Other equity excluding revaluation reserve</b>				256135.84
12. <b>Earnings per equity share of par value of Re. 1 each.</b>				
(1) Basic (Rs.)	0.24	0.47	(1.24)	1.00
(2) Diluted (Rs.)	0.24	0.47	(1.24)	1.00





**Notes:**

1. The above standalone 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, 2021. These 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 at 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. 3774.75 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). The company also understand that the SAIL has handed over back the said coal block to the custody of BCCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim and on a petition filed by the Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the compensation. Earlier the Nominated Authority had upheld its decision of compensation already paid and the same was set aside by the Hon'ble High Court with a direction to the Nominated authority to reconsider. The Nominated authority further passed an order dated 11.11.2019 awarding an additional compensation of Rs. 180 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019 and the process of valuation is under progress as per the available information. The company has also approached the newly appointed Nominated Authority/ Ministry of Coal to reconsider the compensation determined by the previous Nominated Authority and also exploring other possibilities.

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 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. 2083.63 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 at 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 Company holds 217,96,000 equity shares of Rs. 10/- each in Electrosteel Steels Limited (ESL) out of which 173,34,999 equity shares of Rs. 10/- each amounting to Rs. 3612.61 lakhs have been pledged with the consortium of lenders of ESL. The notices issued by the lenders of ESL for invocation of such pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year. The plea of the company for release of such pledge is pending before the Hon'ble Court.

Further in the earlier years, certain land amounting to Rs. 29493.58 lakhs of the company, situated at Elavur, Tamilnadu, were mortgaged to a lender of ESL and the lender had subsequently assigned the right of the said property to a third party although the claims of the said lender were fully settled by the ESL as per the approved Resolution Plan of NCLT. Further the third party had taken the symbolic possession of the said land in an earlier year. The Company had disputed the assignment by the lender and filed an appeal before the Commercial Appellate, Hon'ble Madras High Court for deciding the appropriate forum wherein company can file the suit for release of such property. The Madras High Court has granted injunction and the matter is sub judice.

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



7. As reported earlier, the Railway Authorities had withdrawn the permission of operation of Railway siding under construction which is situated at Haldia, West Bengal. The company has claimed the compensation from the Railway Authorities for the amount incurred for the said siding which was denied and the matter is under arbitration based on the direction of Hon'ble High Court at Calcutta. Pending arbitration proceedings, the company had recognised a charge of Rs. 2318.35 lakhs during the earlier years and the balance amounting to Rs. 1778.11 lakhs has been considered recoverable by the company and shown as "Other Financial Assets" under the "Current Assets".
8. The Company's operations and financial results for the first quarter in the previous year were adversely impacted due to stoppage of operation for more than two months full lockdown due to outbreak of covid 19 pandemic. During the current quarter few state governments have imposed certain restrictions due to surge in covid 19 cases, however there has been no significant impact on the company's operation/result. The Company has also considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, receivables and other current assets. The company has performed sensitivity analysis on the assumptions used and expects to recover the carrying amount of these assets. In view of the above, the results for the current quarter is therefore not strictly comparable with those of comparative quarter ended June 30, 2020.
9. The Board of Directors of the Company at its meeting held on October 5, 2020, had approved a scheme of amalgamation between the Company and Srikalahasthi Pipes Limited (SPL) wherein w.e.f the appointed date i.e. October 1, 2020, SPL will merge with the Company on a going concern basis subject to obtaining of necessary approvals. Pending such approvals, no adjustment has been carried out in the books of the accounts.
10. The Code on Social Security, 2020 ("Code") relating to various employee benefits has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been yet notified. The Company will assess the impact of the Code when it comes into effect and will account for any related impact in the period the Code becomes effective.
11. The figures for the quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published year to date figure upto December 31, 2020 which have been subjected to Limited Review by the Statutory Auditors.
12. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata  
August 13, 2021



For ELECTROSTEEL CASTINGS LIMITED



**Umang Kejriwal**  
Managing Director  
(DIN: 000065173)



**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated 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 unaudited consolidated financial results of **Electrosteel Castings Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), for the quarter ended June 30, 2021 ("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').
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, 2021, 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:

Name of the Subsidiaries	
Electrosteel Trading S.A. Spain	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)
Electrosteel Europe S.A.	Srikalahasthi Pipes Limited
Name of the Joint Venture Companies	
North Dhadhu Mining Company Private Limited (Refer note 11 below)	Domco Private Limited (Refer note 12 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 parent 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. 6 in respect to parent company's investment amounting to Rs. 3612.61 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 parent company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further the Land of Elavur plant of the parent company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the earlier years, has been disputed by the parent 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. 7 in respect to carry forward of claim recoverable amounting to Rs. 1778.11 Lakhs towards the compensation claimed from the Railway Authorities as mentioned in the note. The recovery of the same is dependent on the outcome of the arbitration process and is not presently ascertainable.

*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, 8 and 10 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 two subsidiaries located outside India included in this unaudited consolidated financial results, whose interim financial results reflects total revenue of Rs. 20469.39 Lakhs, total net profit after tax of Rs. 1072.12 Lakhs and total comprehensive income of Rs. 812.40 Lakhs for the quarter ended June 30, 2021, as considered in the unaudited consolidated financial results. These interim financial results have been reviewed by the 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 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. The accompanying statement also includes the interim financial results & other financial information of nine subsidiaries (including two step down subsidiaries) whose interim financial results reflects total revenues of Rs. 7440.73 Lakhs, total net profit after tax of Rs. 110.48 Lakhs and total comprehensive income of Rs. 209.48 Lakhs for the quarter ended June 30, 2021 which have not been reviewed by their auditors and have been certified by the management of the respective subsidiaries. According to the information and explanations given to us by the management of the parent, these interim financial results are not material to the group. Our conclusion on the accompanying statement is not modified in respect of the above matter.
9. The above-mentioned subsidiaries are located outside India whose interim financial results have been prepared in accordance with the accounting principles generally accepted in their respective countries and have been reviewed by their auditors, wherever stated above, under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial results of these subsidiaries 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 company'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 / management certified accounts and the conversion adjustments prepared by the management of the Parent company and reviewed by us.



10. We also did not review the interim financial results & other financial information in respect of one subsidiary located in India as included in this unaudited consolidated financial results, whose interim financial results reflects total revenue of Rs. 44649.78 Lakhs, total net profit after tax of Rs. 4143.98 Lakhs and total comprehensive income of Rs. 4141.00 Lakhs for the quarter ended June 30, 2021, as considered in the unaudited consolidated financial results. These interim financial results have been reviewed by the other auditor and whose reports have been furnished to us by the parent's management. Our conclusion in so far as it relates to the amounts and disclosures included in respect of such subsidiary is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above. The Parent's company has also carried out fit for consolidation adjustment in the interim financial results of such subsidiary. Our conclusion in so far as it relates to the balances and affairs of this subsidiary is based on the report of their auditor and the conversion adjustments prepared by the management of the Parent company and reviewed by us. Our conclusion on the accompanying statement is not modified in respect of the above matter.
11. 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 Parent 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.
12. As stated in Note No. 9 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".
13. Attention is also drawn to the fact that the figures for the quarter ended March 31, 2021 as reported in these interim financial results are the balancing figures between audited figures in respect of full financial year ended March 31, 2021 and the published year to date figures up to the third quarter of the previous financial year, which were subject to limited review by us.



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

  
(Gopal Jain)  
Partner

Membership No. 059147  
UDIN: 21059147AAAA CE7439

Place: Kolkata  
Date: August 13, 2021



**ELECTROSTEEL CASTINGS LIMITED**

CIN: L27310OR1955PLC000310

Registered Office : Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017

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

Corporate Office: 19, Camac Street, Kolkata 700 017

Website: www.electrosteel.com

E-mail: companysecretary@electrosteel.com

(Rs. in lakhs)

**STATEMENT OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30/06/2021**

Particulars	3 months ended 30/06/2021	Preceding 3 months ended 31/03/2021	Corresponding 3 months ended in the previous year 30/06/2020	Year to date figures for previous year ended 31/03/2021
	(Unaudited)	(Audited) (Refer Note 8)	(Unaudited)	(Audited)
1. Revenue From Operations	109689.12	122801.48	32971.12	347056.22
2. Other Income	1570.22	1654.38	402.36	5240.98
3. <b>Total income ( 1 + 2 )</b>	<b>111259.34</b>	<b>124455.86</b>	<b>33373.48</b>	<b>352297.20</b>
4. <b>EXPENSES</b>				
(a) Cost of materials consumed	48819.18	50613.12	9918.77	141637.38
(b) Purchases of Stock-in-Trade	5333.67	6154.52	1234.90	15126.86
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(3431.97)	3029.56	6191.60	6835.72
(d) Employee benefits expense	9197.65	9935.24	4482.92	31348.05
(e) Finance costs	6020.68	6503.67	4635.46	21063.43
(f) Depreciation and amortization expense	2824.99	2957.19	1389.46	9118.51
(g) Other expenses	33835.11	36385.41	10778.47	108440.12
<b>Total expenses</b>	<b>102599.31</b>	<b>115578.71</b>	<b>38631.58</b>	<b>333570.07</b>
5. <b>Profit / (Loss) before exceptional items and tax ( 3 - 4 )</b>	<b>8660.03</b>	<b>8877.15</b>	<b>(5258.10)</b>	<b>18727.13</b>
6. Exceptional Item	-	-	-	(24423.40)
7. <b>Profit / (Loss) before tax ( 5+ 6 )</b>	<b>8660.03</b>	<b>8877.15</b>	<b>(5258.10)</b>	<b>(5696.27)</b>
8. Tax expense:				
- Current tax	2306.07	2274.55	85.49	5327.28
- Deferred tax	(639.65)	18.37	(1900.31)	(1224.24)
- Related to earlier year	-	(71.01)	-	(71.01)
9. <b>Profit / (Loss) after tax (7-8)</b>	<b>6993.61</b>	<b>6655.24</b>	<b>(3443.28)</b>	<b>(9728.30)</b>
10. Add:-Share of Profit/(Loss) in Associate (Net)	-	-	(325.68)	541.65
11. <b>Profit / (Loss) for the period (9+10)</b>	<b>6993.61</b>	<b>6655.24</b>	<b>(3768.96)</b>	<b>(9186.65)</b>
12. <b>Profit / (Loss) for the period attributable to:</b>				
- Owners of the Company	4550.42	4255.87	(3777.19)	(14588.05)
- Non-Controlling Interest	2443.19	2399.37	8.23	5401.40
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	26.33	116.75	0.85	114.63
b) Equity instruments through other comprehensive income	(0.33)	2462.95	26.42	2504.14
c) Gain on consolidation transfer to capital reserve	-	-	-	12001.88
(ii) Income tax relating to items that will not be reclassified to profit and loss	(6.55)	(29.39)	(6.26)	(38.28)
B (i) Items that will be reclassified to profit and loss				
- Foreign currency translation differences	(160.73)	(253.17)	139.61	153.42
(ii) Income tax relating to item that will be reclassified to profit and loss	-	-	-	-
C Share of Other Comprehensive Income in Associate (Net of tax)	-	-	(1.44)	(2.88)
<b>Other Comprehensive Income (net of tax)</b>	<b>(141.28)</b>	<b>2297.14</b>	<b>159.18</b>	<b>14732.91</b>
14. <b>Other Comprehensive Income attributable to:</b>				
- Owners of the Company	(139.53)	2298.00	159.18	14735.81
- Non-Controlling Interest	(1.75)	(0.86)	-	(2.90)
15. <b>Total Comprehensive Income for the period (11+13)</b>	<b>6852.33</b>	<b>8952.38</b>	<b>(3609.78)</b>	<b>5546.26</b>
16. <b>Total Comprehensive Income attributable to:</b>				
- Owners of the Company	4410.89	6553.87	(3618.01)	147.76
- Non-Controlling Interest	2441.44	2398.51	8.23	5398.50
17. Paid-up equity share capital (Face value - Re. 1/-)	4329.55	4329.55	4329.55	4329.55
18. <b>Other equity excluding revaluation reserve</b>				282534.34
19. <b>Earnings per equity share of per value of Re. 1 each.</b>				
(1) Basic (Rs.)	1.05	0.98	(0.87)	(3.37)
(2) Diluted (Rs.)	1.05	0.98	(0.87)	(3.37)





**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, 2021. The consolidated results for the quarter ended June 30, 2021 have been subjected 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 Kodlabad 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 at 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. 3774.75 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). The parent company also understand that the SAIL has handed over back the said coal block to the custody of BCCL.

Following a petition filed by the parent Company, the Hon'ble High Court at Delhi had 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 and on a petition filed by the parent Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the compensation. Earlier the Nominated Authority had upheld its decision of compensation already paid and the same was set aside by the Hon'ble High Court with a direction to the Nominated authority to reconsider. The Nominated authority further passed an order dated 11.11.2019 awarding an additional compensation of Rs. 180 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority has appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019 and the process of valuation is under progress as per the available information. The parent Company has also approached the newly appointed Nominated Authority/ Ministry of Coal to reconsider the compensation determined by the previous Nominated Authority and also exploring other possibilities.  
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 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. 2083.63 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 at 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 earlier years, the performance of the joint venture company has not been consolidated during the quarter ended June 30, 2021.
6. The parent company holds 217,96,000 equity shares of Rs. 10/- each in Electrosteel Steels Limited (ESL) out of which 173,34,999 equity shares of Rs. 10/- each amounting to Rs. 3612.61 lakhs have been pledged with the consortium of lenders of ESL. The notices issued by the consortium of lenders of ESL for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year. The plea of the parent company for release of the pledge is pending before the Hon'ble Court.

Further in the earlier years, certain land amounting to Rs. 29493.58 lakhs of the parent company, situated at Elavur, Tamilnadu, were mortgaged to a lender of ESL and the lender had subsequently assigned the right of the said property to a third party although the claims of the said lender were fully settled by the ESL as per the approved Resolution Plan of NCLT. Further the third party had taken the symbolic possession of the said land in an earlier year. The parent Company had disputed the assignment by the lender and filed an appeal before the Commercial Appellate, Hon'ble Madras High Court for deciding the appropriate forum wherein the company can file the suit for release of such property. The Madras High Court has granted injunction and the matter is sub judice.

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





7.	As reported earlier, the Railway Authorities had withdrawn the permission of operation of Railway siding under construction which is situated at Haldia, West Bengal. The parent company has claimed the compensation from the Railway Authorities for the amount incurred for the said siding which was denied and the matter is under arbitration based on the direction of Hon'ble High Court at Calcutta. Pending arbitration proceedings, the parent company had recognised a charge of Rs. 2318.35 lakhs during the earlier years and a balance amounting to Rs. 1778.11 lakhs has been considered recoverable by the management of the parent company and shown as "Other Financial Assets" under the "Current Assets".
8.	The figures for the quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published year to date upto December 31, 2020 which have been subjected to Limited Review by the Statutory Auditors.
9.	The parent company 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.
10.	The group's operations and financial results for the first quarter in the previous year were adversely impacted due to stoppage of operation in the significant part of the quarter due to outbreak of covid 19 pandemic. During the current quarter various governments where subsidiaries are based including India, have imposed certain restrictions due to surge in covid 19 cases, however there has been no significant impact on the group's operation/result. The group has also considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, receivables and other current assets. The parent company has performed sensitivity analysis on the assumptions used and expects to recover the carrying amount of these assets. In view of the above, the results for the current quarter is therefore not strictly comparable with those of comparative quarter ended June 30, 2020.
11.(a)	The Board of Directors of the parent Company at its meeting held on October 5, 2020, had approved a scheme of amalgamation between the parent Company and Srialahasthi Pipes Limited (SPL) wherein w.e.f the appointed date i.e. October 1, 2020, SPL will merge with the parent Company on a going concern basis subject to obtaining of necessary approvals. Pending such approvals, no adjustment has been carried out in the books of the accounts.
11.(b)	As reported in earlier quarter's, with effect from September 18, 2020 the results of SPL has been consolidated by combining the like items of assets, liabilities, equity, income, expenses and cash flows of SPL in line with the guidelines prescribed under Ind AS 110 "Consolidated Financial Statements" which was hitherto considered as an associate in the consolidated financial statement. In view of the above the consolidated results for the quarter ended June 30, 2021 are not comparable with the previous quarter.
12.	The Code on Social Security, 2020 ('Code') relating to various employee benefits, in respect to group companies incorporated in India, has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been yet notified. The parent Company will assess the impact of the Code when it comes into effect and will account for any related impact in the period the Code becomes effective.
13.	Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata  
August 13, 2021



**ELECTROSTEEL CASTINGS LIMITED**  
  
**Umang Kejriwal**  
Managing Director  
(DIN: 000065173)