

# 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



17 May, 2023

## 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 17 May, 2023**

Pursuant to Regulation 30 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please be informed that the Board of Directors, at its meeting held today, has, inter-alia:

1. Approved the Audited Standalone and Consolidated Financial Results of the Company for the quarter and Financial Year ended 31 March, 2023. In compliance with provisions of Regulation 33 and other applicable provisions of the Listing Regulations, please find enclosed herewith, the said Financial Results, along with copies of the Statutory Auditors' Reports thereon and Statements on Impact of Audit Qualifications for Standalone and Consolidated Audit Reports with modified opinion.
2. Recommended a dividend of Rs. 0.90 (90%) per Equity Share of face value of Re. 1/- each for the Financial Year ended 31 March, 2023, to the shareholders of the Company for their approval at their ensuing Annual General Meeting. The dividend for the Financial Year ended 31 March, 2023, if any, declared by the shareholders at the ensuing Annual General Meeting will be paid to the shareholders after the Annual General Meeting, within such time period as required under the law.
3. Re-appointed Mr. Uddhav Kejriwal (DIN: 00066077) as the Whole Time Director of the Company, with effect from 16 June, 2023, for a term of 3 (three) consecutive years, subject to the approval of appointment by the Shareholders. In this regard, we confirm that Mr. Uddhav Kejriwal is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The details as required under Regulation 30 - Para A of Part A of Schedule III to the Listing Regulations with respect to the aforesaid re-appointment are given below:



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Particulars	
Reason for change	Mr. Uddhav Kejriwal (DIN: 00066077) is re-appointed as the Whole-time Director of the Company.
Date of appointment and term of appointment	Re-appointed for a term of 3 (three) consecutive years, with effect from 16 June, 2023, subject to the approval of the Shareholders.
Brief Profile	Mr. Uddhav Kejriwal, aged about 44 years is a commerce graduate from Calcutta University. He has over 21 years of experience in pipe industry. Mr. Kejriwal has expertise in matters relating to the financial affairs and commercial issues pertaining to the business of the Company. Mr. Kejriwal oversees all financial affairs and commercial issues pertaining to the business of the Company. He has extensive knowledge of corporate and related laws and finance matters. He has played an important role in developing and managing/executing business plans, operational plans, risk management and financial affairs of the Company. He has timely and effectively executed strategies on priorities and with measures set by the Board. He possesses a good understanding of the Company's financial measures relevant to its business and financial situation and has exercised good judgment in managing the financial affairs and budgets of the Company. He has effectively monitored and evaluated financial planning, budget and administrative operations.
Disclosure of relationships between directors	Mr. Uddhav Kejriwal is the son of Mr. Mayank Kejriwal, Joint Managing Director and brother of Mrs. Priya Manjari Todi, Whole-time Director of the Company. Apart from this, Mr. Kejriwal is not related to any other Director of the Company.

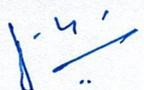
Time of Commencement of Meeting: 1215 Hours  
Time of Conclusion of Meeting: 1515 Hours

This is for your information and records.

Thanking you.

Yours faithfully,

**For Electrosteel Castings Limited**

  
**Indranil Mitra**  
Company Secretary  
ICSI: A20387



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**INDEPENDENT AUDITORS' REPORT****The Board of Directors of Electrosteel Castings Limited****Report on the Audit of the Standalone Financial Results****Qualified Opinion**

We have audited the accompanying Standalone financial results of Electrosteel Castings Limited (hereinafter referred to as the "Company") for the year ended March 31, 2023 and the notes thereon (hereinafter referred to as the "Financial Results") attached herewith, being compiled by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). The financial results have been initialed by us for the purpose of identification.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial results:

- a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b) except for the possible effect of the matter described in the "Basis for Qualified Opinion" paragraph below, give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India of the net profit and other comprehensive income for the quarter and year ended March 31, 2023 and other financial information for the year ended on that date.

**Basis for Qualified Opinion**

Attention is invited to the following notes of the accompanying financial results:

- a) Note no. 4 regarding cancellation of coal block allotted to the company in earlier year and adjustments required to be carried out in respect of the claim received so far and carrying value of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account for the reasons stated therein; and
- b) Note No. 5 in respect of company's investment in ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Calcutta and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land had been taken by the said party. The matter has been disputed by the company and is currently pending before DRAT and Hon'ble High Court at Madras.
- c) Pending finalization of the matters dealt with in (a) and (b), impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

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



**Responsibilities of Management and Those Charged with Governance for the Financial Results**

These financial results have been prepared on the basis of the standalone annual financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit for the year ended March 31, 2023 and other comprehensive income and other financial information of the company in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditors' Responsibilities for the Audit of the Financial Results**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related



disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Other Matters**

- a) The standalone financial information of the Company for the quarter ended June 2022 included in year ended March 31, 2023 were reviewed by the predecessor auditor who expressed modified opinion on the same vide their report dated August 12, 2022;
- b) The comparative standalone financial information of the Company for the corresponding quarter and year ended March 31, 2022 were audited by the predecessor auditor who expressed modified opinion on the same vide their report dated May 10, 2022.
- c) Reliance has been placed by us on the report of the said predecessor auditors with respect to (a) and (b) above and our opinion is not modified in respect of these matters.
- d) These standalone annual financial results include the results for the quarter ended March 31, 2023, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31, 2022. These figures were subject to limited review by us as required under the Listing Regulations.

Place: Kolkata  
Date: May 17, 2023



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

*R. P. Singh*

R. P. Singh

Partner

Membership No: 52438

UDIN: 23052438BGXSCB8497

**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.electrosteel.com

E-mail: companysecretary@electrosteel.com

(Rs. in lakhs unless otherwise stated)

**STATEMENT OF AUDITED STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2023**

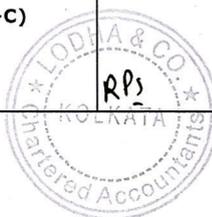
Particulars	3 months ended 31/03/2023	Preceding 3 months ended 31/12/2022	Corresponding 3 months ended in the previous year 31/03/2022	Year to date figures for current period ended 31/03/2023	Year to date figures for previous year ended 31/03/2022
	(Audited) (Refer Note No. 8)	(Unaudited)	(Audited) (Refer Note No. 8)	(Audited)	(Audited)
<b>1.</b> Revenue From Operations	<b>176182.31</b>	172803.62	155533.19	<b>691600.46</b>	501482.77
<b>2.</b> Other Income	<b>2370.44</b>	2264.45	2894.95	<b>9652.16</b>	8032.93
<b>3.</b> <b>Total income ( 1 + 2 )</b>	<b>178552.75</b>	175068.07	158428.14	<b>701252.62</b>	509515.70
<b>4. EXPENSES</b>					
(a) Cost of materials consumed	<b>92387.77</b>	104430.33	94798.45	<b>399087.45</b>	275294.38
(b) Purchases of Stock-in-Trade	-	-	-	-	22.47
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	<b>8806.64</b>	(489.06)	(11786.93)	<b>(2696.15)</b>	(24503.06)
(d) Employee benefits expense	<b>8704.13</b>	9205.33	8290.83	<b>35809.78</b>	32591.17
(e) Finance costs	<b>7229.49</b>	7330.21	5082.00	<b>27224.33</b>	18526.53
(f) Depreciation and amortization expense	<b>2801.96</b>	2855.76	2895.08	<b>11401.63</b>	11257.67
(g) Other expenses	<b>45344.90</b>	43545.66	43867.59	<b>187147.43</b>	154466.27
<b>Total expenses</b>	<b>165274.89</b>	166878.23	143147.02	<b>657974.47</b>	467655.43
<b>5. Profit before tax ( 3 - 4 )</b>	<b>13277.86</b>	8189.84	15281.12	<b>43278.15</b>	41860.27
<b>6. Tax expense:</b>					
Current tax	<b>3347.59</b>	1583.21	3685.00	<b>10633.96</b>	10400.00
Deferred tax	<b>(200.24)</b>	71.75	(208.89)	<b>(832.16)</b>	(643.34)
Related to earlier year	-	-	(456.68)	-	(456.68)
<b>7. Profit for the period ( 5 - 6 )</b>	<b>10130.51</b>	6534.87	12261.69	<b>33476.35</b>	32560.29
<b>8. Other Comprehensive Income</b>					
A (i) Items that will not be reclassified to profit or loss					
a) Remeasurements of the defined benefit plans	<b>66.55</b>	(23.56)	(253.27)	<b>(4.13)</b>	(174.28)
b) Equity instruments through other comprehensive income	<b>(2916.17)</b>	-	5350.92	<b>(2912.23)</b>	5350.86
(ii) Income tax relating to items that will not be reclassified to profit or loss	<b>(16.70)</b>	5.93	63.75	<b>0.19</b>	43.88
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
<b>Other Comprehensive Income for the period (net of tax)</b>	<b>(2866.32)</b>	(17.63)	5161.40	<b>(2916.17)</b>	5220.46
<b>9. Total Comprehensive Income for the period ( 7 + 8 )</b>	<b>7264.19</b>	6517.24	17423.09	<b>30560.18</b>	37780.75
<b>10. Paid-up equity share capital (Face value - Re. 1/-)</b>	<b>5946.05</b>	5946.05	5946.05	<b>5946.05</b>	5946.05
<b>11. Other equity excluding revaluation reserve</b>				<b>421099.47</b>	392796.72
<b>12. Earnings per equity share of par value of Re. 1 each.</b>					
(1) Basic (Rs.)	<b>1.70</b>	1.10	2.06	<b>5.63</b>	5.48
(2) Diluted (Rs.)	<b>1.70</b>	1.10	2.06	<b>5.63</b>	5.48



<b>STANDALONE STATEMENT OF ASSETS AND LIABILITIES</b>		<b>Annexure I</b>	
		(Rs.in lakhs)	
<b>Particulars</b>		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
		<b>Audited</b>	<b>Audited</b>
<b>A.</b>	<b>ASSETS</b>		
	<b>( 1 ) Non-current assets</b>		
	(a) Property, Plant and Equipment	<b>260514.88</b>	264543.39
	(b) Capital work-in-progress	<b>130237.00</b>	120769.92
	(c) Other Intangible assets	<b>463.06</b>	337.40
	(d) Right-of-use assets	<b>3485.27</b>	3897.17
	(e) Investments in subsidiaries and joint ventures	<b>6368.05</b>	6368.05
	(f) Financial Assets		
	(i) Investments	<b>6593.90</b>	9506.13
	(ii) Other financial assets	<b>5536.77</b>	4256.02
	(g) Other non-current tax assets (Net)	<b>2023.18</b>	1443.89
	(h) Other non-current assets	<b>2756.25</b>	937.82
	<b>Total Non-Current assets</b>	<b>417978.36</b>	412059.79
	<b>( 2 ) Current assets</b>		
	(a) Inventories	<b>169372.62</b>	184130.53
	(b) Financial Assets		
	(i) Investments	<b>9542.05</b>	36172.87
	(ii) Trade receivables	<b>130953.27</b>	104188.79
	(iii) Cash and cash equivalents	<b>20050.98</b>	15214.34
	(iv) Bank balances other than (iii) above	<b>18152.74</b>	30504.10
	(v) Loans	<b>10935.00</b>	5308.00
	(vi) Other financial assets	<b>19743.21</b>	18762.74
	(c) Other current assets	<b>12477.35</b>	14208.33
	<b>Total Current assets</b>	<b>391227.22</b>	408489.70
	<b>Total Assets</b>	<b>809205.58</b>	820549.49
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share capital	<b>5946.05</b>	5946.05
	(b) Other Equity	<b>421099.47</b>	392796.72
	<b>Total Equity</b>	<b>427045.52</b>	398742.77
	<b>Liabilities</b>		
	<b>( 1 ) Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	<b>70567.72</b>	83819.52
	(ii) Lease liabilities	<b>1486.79</b>	1793.76
	(b) Provisions	<b>4004.46</b>	4157.19
	(c) Deferred tax liabilities (Net)	<b>34800.39</b>	35632.74
	(d) Other non-current liabilities	<b>392.60</b>	3460.75
	(e) Non-current Tax Liabilities (Net)	<b>6210.24</b>	6215.64
	<b>Total Non-current liabilities</b>	<b>117462.20</b>	135079.60
	<b>( 2 ) Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	<b>173023.10</b>	186697.97
	(ii) Lease liabilities	<b>510.65</b>	563.58
	(iii) Trade payables		
	(a) Total Outstanding dues of Micro enterprises and small enterprises: and	<b>1595.15</b>	2663.11
	(b) Total Outstanding dues of creditor other than Micro enterprises and small enterprises	<b>49622.12</b>	53490.65
	(iv) Other financial liabilities	<b>10122.50</b>	3640.71
	(b) Other current liabilities	<b>28329.03</b>	37899.96
	(c) Provisions	<b>1495.31</b>	1426.59
	(d) Current Tax Liabilities (Net)	<b>-</b>	344.55
	<b>Total Current liabilities</b>	<b>264697.86</b>	286727.12
	<b>Total Equity and Liabilities</b>	<b>809205.58</b>	820549.49



STANDALONE STATEMENT OF CASH FLOW		(Rs. in lakhs)	
Parciculars	For the year ended March 31, 2023	For the year ended March 31, 2022	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax	43278.15	41860.27	
Adjustment to reconcile profit before tax to net cash generated from operating activities			
Add : Depreciation and amortisation expenses	11401.63	11257.67	
Sundry balances/Advances/CWIP written off	2785.32	1788.36	
Credit loss allowance on trade receivables/advances/others	214.47	209.09	
Loss on sale / discard of fixed assets (Net)	830.73	440.53	
Fair Valuation of derivative instruments through Profit and Loss	900.25	(702.31)	
Net gain/(Loss) on fair valuation of Current Investment	85.56	(94.54)	
Finance costs	27224.33	43442.29	18526.53
		86720.44	73285.60
Less: Interest income	4924.07	3202.28	
Dividend income from investments	3202.29	2565.24	
Deferred Income	25.64	25.64	
Provision for obsolescence of Stores and Spares	53.90	(242.40)	
Net gain on derecognition of financial assets at amortised cost	25.94	1.25	
Unrealised Foreign Exchange Fluctuation and translation	1690.89	746.95	
Profit on sale of Current Investments	394.46	166.07	
Profit on sale of Non Current Investment	-	784.52	
Provisions / Liabilities no longer required written back	766.20	11083.39	949.32
Operating Profit before Working Capital changes		75637.05	65086.73
Movements in working capital			
Less: Increase/(Decrease) in Inventories	(14811.80)	87077.34	
Increase/(Decrease) in Trade Receivables	25071.15	30608.56	
Increase/(Decrease) in Loans and Advances, other financial and non-financial assets	(2726.20)	1897.43	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	16780.98	24314.13	(32846.57)
Cash generated From Operations		51322.92	(21650.03)
Less: Direct Taxes paid (Net)		11558.02	10877.79
Net cash flow from Operating Activities (A)		39764.90	(32527.82)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment against Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	(18092.45)	(19076.37)	
Realisation against Property, Plant and Equipment, Intangible Assets	371.18	893.70	
Purchase of Current Investment	(358871.17)	(188373.12)	
Sale of Current Investment	385810.90	168121.45	
Sale of Non-Current Investment	-	1201.32	
Inter Corporate Loan given	(17500.00)	(20000.00)	
Inter Corporate Loan repaid	11873.00	16422.00	
Interest received	4394.63	3266.53	
Dividend received	3202.29	2565.24	
Movement in bank balances other than cash and cash equivalents	9504.29	20692.67	4334.28
Net Cash flow from Investing Activities (B)		20692.67	(30644.97)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from application towards share warrants	2499.41	-	
Proceeds/(Repayments) from short term borrowings (net)	(10355.13)	77218.18	
Repayment of long term borrowings	(31984.31)	(35622.57)	
Proceeds from long term borrowings	13770.81	41680.00	
Interest and other borrowing cost paid	(24227.87)	(16925.13)	
Repayment of Lease Liability	(567.00)	(565.99)	
Dividend paid	(4756.84)	(55620.93)	(2726.11)
Net cash flow from Financing Activities (C)		(55620.93)	63058.38
D. Net increase/(decrease) in Cash and Cash equivalents (A+B+C)		4836.64	(114.41)
E. Cash and Cash equivalents at the beginning of the year		15214.34	15328.75
F. Cash and Cash equivalents as at the end of the year		20050.98	15214.34



**Notes:**

1. The above Audited Standalone financial results for the quarter and year ended March 31, 2023 (hereinafter referred to as "Financial Results") includes Statement of Assets and Liabilities as on March 31, 2023 ("Annexure I") and Cash Flow for the year ended March 31, 2023 ("Annexure II") attached herewith. These Financial Results, compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 17, 2023 and have been subjected to Audit 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 got expired on January 11, 2017. Pending decision of Hon'ble High Court at Jharkhand on the matter pursuant to the writ petition filed before the said court, the company without prejudice to the decision to pursue the said petition has decided during the quarter ended June 30, 2022 as a matter of abundant caution to charge off the amounts so paid pertaining to the said mine and carried forward under Capital work in progress and advances and thereby, Rs. 2756.99 lakhs has been included under other expenses for the year ended March 31, 2023.
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 was thereafter allotted to Steel Authority of India Limited (SAIL) and pending final determination, compensation of Rs. 8312.14 lakhs was received. The company also came to understand that SAIL subsequently 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 and based on the said judgement, the Company has claimed Rs.154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. Aggrieved due to delay in acceptance of claim, 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 amount of compensation to be paid to the company. Earlier the Nominated Authority had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the said decision. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated November 11, 2019. The company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same is under consideration and a final compensation is yet to be decided. The company had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets. Pending such decision, in the meantime, the Ministry vide notification dated November 03, 2022 had included the said Parbatpur Coal Block in the "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and JSW Steel Limited (JSW) has emerged as successful bidder in the said auction. Accordingly, the claim for compensation in this respect therefore is to be determined on receipt of order for vesting of the said mine to JSW. The company's management however, is pursuing to revise and determine the amount of entire compensation for coal block in terms of the aforesaid judgement passed by the Hon'ble High Court of Delhi.

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. 2090.04 lakhs have been adjusted.

Necessary disclosures and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.



5. The Company holds 197,96,000 equity shares of Rs. 10/- each in ESL Steel Limited (ESL) out of which 173,34,999 equity shares of Rs. 10/- each amounting to Rs. 5744.81 lakhs have been pledged with the consortium of lenders of ESL (lenders). The notices issued by the lenders for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the company's plea 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, Tamil Naidu, were mortgaged to another lender SREI Infrastructure Finance Limited (SREI) of ESL and SREI had subsequently assigned the right of the said property to an Asset Reconstruction Company (ARC) although the claims of the said lender were fully discharged by the ESL as per the Resolution Plan approved by NCLT, Kolkata. Subsequently the ARC had issued SARAFESI Notice in an earlier year. The Company had disputed the symbolic possession of the said land against alleged claim in SARAFESI Notice in an earlier year. The Company had disputed the alleged assignment of the loan by the lender at Hon'ble Madras High Court. Subsequently, as per direction of the Hon'ble Supreme Court, the Company had filed an application before the Debt Recovery Tribunal (DRT), Chennai for setting aside the SARAFESI actions and release of the title deeds of such land. The DRT vide its order dated April 08, 2022 uploaded on April 27, 2022 had dismissed the application of the Company. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the Company to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs and was of the view that at admission stage it cannot go in to the merits of the case hence, cannot give any relief on the pre-deposit. The Company then has filed revision application at Hon'ble Madras High Court under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution challenging provisions of pre-deposit under SARAFESI Act. The matter is now pending before Hon'ble Madras High Court.

Earlier, the ARC had also filed an application before the National Company Law Tribunal, Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) process against the Company which has been decided in the favour of the Company vide NCLT order dated June 24, 2022 by dismissing the application of ARC. The ARC has challenged the order of NCLT, Cuttack and the matter is pending before National Company Law Appellate Tribunal (NCLAT), New Delhi.

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

6. The company has allotted 2,35,79,344 warrants convertible into or exchangeable for 1 (one) fully paid-up equity shares of the company having face value of Re. 1 each at the issue price of Rs. 42.41 each payable in cash ('warrant issue price') on preferential basis to Promoter/ Promoter group on December 27, 2022 as approved by the Shareholders vide their postal ballot resolution dated December 23, 2022. The said allotment has been done upon receipt of Rs. 10.60 for each warrants aggregating to Rs. 2499.41 lakhs included under other equity being the amount equivalent to 25% of the warrant issue price as upfront contribution received by the company in this respect entitling the warrant holders to apply for and get allotted one equity shares of the company against each warrant held in one or more tranche within a maximum period of eighteen months from the date of allotment on payment of balance amount of Rs. 31.81 each which is equivalent to 75% of the warrant issue price.
7. Subsequent to the balance sheet date, the Board of Directors has recommended a dividend of Re. 0.90 per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2023. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial results. The total estimated equity dividend to be paid is Rs. 5351.45 lakhs.
8. The figures for the quarters ended March 31, 2023 and March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the year to date upto the quarter ended December 31 of the respective years which were subject to limited review by the Statutory Auditors.
9. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata  
May 17, 2023



For **ELECTROSTEEL CASTINGS LIMITED**

**Pradip Kumar Khaitan**

Chairman  
(DIN: 00004821)

**ANNEXURE I**

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

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(Rs in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	701252.62	Not Ascertainable
	2.	Total Expenditure	657974.47	
	3.	Net Profit/(Loss) (including other comprehensive income)	30560.18	
	4.	Earnings Per Share	5.63	
	5.	Total Assets	809205.58	
	6.	Total Liabilities	809205.58	
	7.	Net Worth (Equity Share Capital plus Other Equity)	427045.52	
	8.	Any other financial item(s) (as felt appropriate by the management)	--	

**II. Audit Qualification (each audit qualification separately):**

**a. Details of Audit Qualification:**

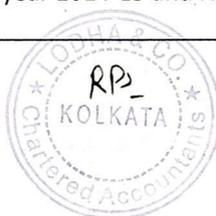
Attention has been drawn by the Auditors' under the heading "Basis of Qualified Opinion" of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31<sup>st</sup> March 2023 -

Sub Para (a): Note no. 4 regarding cancellation of coal block allotted to the company in earlier year and adjustments required to be carried out in respect of the claim received so far and carrying value of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account for the reasons stated therein. Impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

Sub Para (b): Note No. 5 in respect of company's investment in ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Calcutta and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land had been taken by the said party. The matter has been disputed by the company and is currently pending before DRAT and Hon'ble High Court at Madras. Impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

**b. Type of Audit Qualification:** Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

**c. Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing - Note no. 4 since financial year 2014-15 and Note no. 5 since financial year 2017-18.



**d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**  
N.A

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

(i) **Management's estimation on the impact of audit qualification: N.A**

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

Sub Para (a) – 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 was thereafter allotted to Steel Authority of India Limited (SAIL) and pending final determination, compensation of Rs. 8312.14 lakhs was received. The company also came to understand that SAIL subsequently 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 and based on the said judgement, the Company has claimed Rs.154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. Aggrieved due to delay in acceptance of claim, 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 amount of compensation to be paid to the company. Earlier the Nominated Authority had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the said decision. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated November 11, 2019. The company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same is under consideration and a final compensation is yet to be decided. The company had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets. Pending such decision, in the meantime, the Ministry vide notification dated November 03, 2022 had included the said Parbatpur Coal Block in the "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and JSW Steel Limited (JSW) has emerged as successful bidder in the said auction. Accordingly, the claim for compensation in this respect therefore is to be determined on receipt of order for vesting of the said mine to JSW. The company's management however, is pursuing to revise and determine the amount of entire compensation for coal block in terms of the aforesaid judgement passed by the Hon'ble High Court of Delhi.

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. 2090.04 lakhs have been adjusted.

Necessary disclosures and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

Sub Para (b) - In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by ESL Steel Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the Company during the quarter ended June 30, 2018. To comply with the requirements of Ind AS 109 "Financial Instruments", the Company had fair valued the investment in ESL and a sum of Rs. 57868.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss in the quarter ended June 30, 2018. Further in terms of the approved resolution plan, advances and trade receivable amounting to Rs. 21121.70 lakhs receivable from ESL was written off during the quarter ended September 2018 shown as exceptional item in the statement of Profit and Loss.

The Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. During the year, the company has fair valued the equity share of ESL and a loss of Rs. 2915.95 lakhs has been accounted for in other comprehensive income.

Investment in ESL include 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 5744.81 lakhs as on March 31, 2023 have been pledged with the consortium of lenders of ESL (lenders). The notices issued by the lenders for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the company's plea for release of such pledge is pending before the Hon'ble Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs of the company, situated at Elavur, Tamil Naidu, were mortgaged to another lender SREI Infrastructure Finance Limited (SREI) of ESL and SREI had subsequently assigned the right of the said property to an Asset Reconstruction Company (ARC) although the claims of the said lender were fully discharged by the ESL as per the Resolution Plan approved by NCLT, Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land against alleged claim in SARAFESI Notice in an earlier year. The Company had disputed the alleged assignment of the loan by the lender at Hon'ble Madras High Court. Subsequently, as per direction of the Hon'ble Supreme Court, the Company had filed an application before the Debt Recovery Tribunal (DRT), Chennai for setting aside the SARAFESI actions and release of the title deeds of such land. The DRT vide its order dated April 08, 2022 uploaded on April 27, 2022 had dismissed the application of the Company. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the Company to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs and was of the view that at admission stage it cannot go in to the merits of the case hence, cannot give any relief on the pre-deposit. The Company then has filed revision application at Hon'ble Madras High Court under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution challenging provisions of pre-deposit under SARAFESI Act. The matter is now pending before Hon'ble Madras High Court.

Earlier, the ARC had also filed an application before the National Company Law Tribunal, Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) process against the Company which has been decided in the favour of the Company vide NCLT order dated June 24, 2022 by dismissing the application of ARC. The ARC has challenged the order of NCLT, Cuttack and the matter is pending before National Company Law Appellate Tribunal (NCLAT), New Delhi.

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

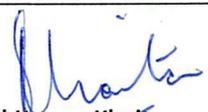
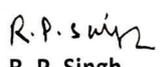


(iii) **Auditors' Comments on (i) or (ii) above:**

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the management and as such cannot be commented upon by us.

III.

**Signatories:**

<b>CEO/Managing Director</b>	 <b>Sunil Katial</b> <b>(Chief Executive Officer &amp; Whole-time Director)</b>
<b>CFO</b>	 <b>Ashutosh Agarwal</b> <b>(Whole-time Director and Chief Financial Officer)</b> 
<b>Audit Committee Chairman</b>	 <b>Binod Kumar Khaitan</b> <b>(Audit Committee Chairman)</b>
<b>Statutory Auditor</b>	<b>For Lodha &amp; Co</b> <b>Chartered Accountants</b> <b>Firm's Registration No: 301051E</b>  <b>R. P. Singh</b> <b>(Partner)</b> <b>Membership No: 052438</b> 

Place: Kolkata

Date: May 17, 2023

**INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors of Electrosteel Castings Limited**

**Report on the Audit of the Consolidated Financial Results**

**Qualified Opinion**

We have audited the accompanying consolidated financial results of Electrosteel Castings Limited (hereinafter referred to as the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the year ended March 31, 2023 and the notes thereon (hereinafter referred to as the "Consolidated Financial Results") attached herewith, being compiled by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). The consolidated financial results have been initialed by us for the purpose of identification.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements/ information of the subsidiaries, the consolidated financial results:

- a) include the annual financial results of the following entities:

<b>Name of the Subsidiaries (Including Step-down Subsidiaries)</b>	
a) Electrosteel Trading S.A. Spain	b) Electrosteel Castings (UK) Limited
c) Electrosteel Castings Gulf FZE	d) Electrosteel USA, LLC
e) Electrosteel Doha for Trading LLC	f) WaterFab LLC (acquired 100% share capital through wholly owned subsidiary Electrosteel USA, LLC)
g) Electrosteel Brasil Ltd. Tubos e Conexoes Duties	h) Electrosteel Bahrain Trading WLL (subsidiary of Electrosteel Bahrain Holding Company S.P.C)
i) Electrosteel Bahrain Holding Company S.P.C	j) Electrosteel Algeria SPA
k) Electrosteel Europe S.A	
<b>Name of the Joint Venture Companies</b>	
a) North Dhadhu Mining Company Private Limited (Refer Note no. (d) below in Other Matters)	b) Domco Private Limited (Refer Note no. (e) below in Other Matters)

- b) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c) except for the possible effect of the matter described in the "Basis for Qualified Opinion" paragraph below, give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India of the net profit and other comprehensive income for the quarter and year ended March 31, 2023 and other financial information for the year ended on that date.



**Basis for Qualified Opinion**

Attention is invited to the following notes of the accompanying Consolidated financial Results:

- a) Note no. 4 regarding cancellation of coal block allotted to the Parent in earlier year and adjustment required to be carried out in respect of the claim received so far and carrying value of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account for the reasons stated therein; and
- b) Note No. 5 in respect of Parent's investment in ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Calcutta and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land had been taken by the said party. The matter has been disputed by the parent and is currently pending before DRAT and Hon'ble High Court at Madras.
- c) Pending finalization of the matters dealt with in (a) and (b), impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics and provisions of the Companies Act, 2013 that are relevant to our audit of the consolidated financial statements in India under the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Companies act, 2013. We believe that the audit evidence obtained by us along with the consideration of auditors' report referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial results.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Results**

The Parent Company's management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial results that give a true and fair view of the net profit for the year ended March 31, 2023 and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Management and the Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Parent Company, as aforesaid.



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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Results**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place with reference to financial statement and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management; and
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements of which we are the Independent Auditors. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/ financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



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

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

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

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

#### Other Matters

- a) We did not audit the consolidated financial statements of the following subsidiary companies, whose financial statements reflect total assets as at March 31, 2023, total revenue and net cash flow/(outflow) for the year ended as on that date, considered as under in the consolidated financial results based on financial statements audited and reported upon by another auditors:

Name of the Subsidiary	Total Assets as at March 31, 2023	(Rs. In Lakhs) For the year ended March 31, 2023			
		Total Income	Net Profit/ (Loss) after tax	Total Comprehensive Income	Net Cash Inflow/ (Outflow)
Electrosteel Trading S.A, Spain	1,710.41	4,239.34	25.71	35.01	(257.49)
Electrosteel Casting Gulf FZE	2,899.61	2,212.97	100.44	293.94	31.25
Electrosteel Doha for Trading LLC	4,412.59	6,934.86	1,289.18	1,583.72	220.05
Electrosteel Bahrain Holding Company S.P.C (including Stepdown subsidiary Electrosteel Bahrain Holding Company S.P.C)	9,284.75	9,037.59	(145.35)	109.97	(100.87)
Electrosteel Europe S.A.	58,993.38	95,224.76	1,800.93	2,311.85	(3,362.12)
Electrosteel Algeria SPA	321.28	436.71	300.03	253.50	2.77
Electrosteel Castings (UK) Limited	19,146.67	19,832.59	756.27	829.16	441.74
Electrosteel USA LLC (including Stepdown subsidiary WaterFab LLC)	17,788.93	29,481.26	2,399.20	2,663.74	(134.17)



These consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results of the Parent, in so far as it relates to the amounts and disclosures included in respect of the subsidiary in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors and the procedure performed by us as stated in Paragraph above.

The above-mentioned subsidiaries are located outside India whose annual financial results have been prepared in accordance with the accounting principles generally accepted in their respective countries and have been audited by their auditors under generally accepted standards and practices applicable in the respective countries. The financial results of aforesaid subsidiaries have been converted to Indian rupees (INR) and compiled as per the accounting principles generally accepted in India and have carried out the adjustments ('the subsidiary statements') required for the purpose of incorporating these in the consolidated financial results of the Group. These subsidiary statements as converted and compiled by the Parent's management, while placing reliance on the same have been reviewed by us.

- b) The accompanying consolidated financial results also include the financial results and other financial information of one subsidiary whose interim financial results reflects total Assets of Rs. 0.00 lakhs as at March 31, 2023 and total income Nil, Net profit after tax Nil, total comprehensive income of (Rs. 5.34 lakhs) and Net Cashflow of Rs. 0.00 for the year ended March 31, 2023 as considered in the consolidated financial results have not been audited by their auditors and have been certified by the management of the said subsidiary.

The unaudited financial statement have been approved and furnished to us by the management and our opinion on the statement, in so far as it relates to the amounts and disclosure included in respect of this subsidiary is based solely on such unaudited financial statement. In our opinion and according to the information and explanation given to us by the management, these financial statements are not material to the group.

- c) Our Opinion on the Consolidated Financial Results is not modified in respect of the matters stated in (a) and (b) above with respect to reliance on the work done by and the reports of other auditors and the financial statements certified by the management.
- d) The Investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the Parent have been impaired and fully provided for in the financial statement and therefore, the financial results of said company have not been incorporated in these consolidated results.
- e) As stated in Note no. 6 of the consolidated financial results, the financial statements, Investments in Domco Private Limited, a joint venture have been impaired and fully provided for in the financial statement and also the financial statement of the said company due to reason stated in the said note are not available and have therefore not been consolidated in these consolidated results as required in terms of Ind AS 28 on "Investment in Associates and Joint Ventures".
- f) The consolidated financial information of the Group for the quarter ended June 2022 included in year ended March 31, 2023 were reviewed by the predecessor auditor who expressed modified opinion on the same vide their report dated August 12, 2022;
- g) The comparative consolidated financial information of the Group for the corresponding quarter and year ended March 31, 2022 were audited by the predecessor auditor who expressed modified opinion on the same vide their report dated May 10, 2022.



- h) Reliance has been placed by us on the report of the said predecessor auditors with respect to (f) and (g) above and our opinion is not modified in respect of these matters.
- i) These consolidated financial results include the results for the quarter ended March 31, 2023, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31, 2022. These figures were subject to limited review by us as required under the Listing Regulations.

Place: Kolkata  
Date: May 17, 2023



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

*R. P. Singh*

R. P. Singh  
Partner

Membership No: 52438  
UDIN: 23052438BGXSCD3718



**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 unless otherwise stated)

**STATEMENT OF AUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2023**

Particulars	3 months ended 31/03/2023	Preceding 3 months ended 31/12/2022	Corresponding 3 months ended 31/03/2022	Year to date figures for Current year ended 31/03/2023	Year to date figures for previous year ended 31/03/2022
	(Audited) (Refer Note No.10)	(Unaudited)	(Audited) (Refer Note No.10)	(Audited)	(Audited)
1. Revenue From Operations	187237.36	185185.69	157695.07	727550.76	528095.22
2. Other Income	3628.85	1534.16	857.44	8492.00	5575.66
3. Total income ( 1 + 2 )	190866.21	186719.85	158552.51	736042.76	533670.88
4. EXPENSES					
(a) Cost of materials consumed	92387.77	104430.33	94798.45	399087.45	275294.37
(b) Purchases of Stock-in-Trade	3590.88	5536.03	3707.96	15792.00	11208.34
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	7852.09	(3972.42)	(20894.82)	(16002.03)	(38679.33)
(d) Employee benefits expense	10477.05	11217.69	10403.05	43040.99	39769.36
(e) Finance costs	7724.02	7720.87	5274.37	28588.92	19467.99
(f) Depreciation and amortization expense	3067.51	3020.45	3057.54	12119.76	11468.03
(g) Other expenses	53659.06	49238.58	47947.54	211875.41	170713.36
Total expenses	178758.38	177191.53	144294.09	694502.50	489242.12
5. Profit before tax ( 3-4 )	12107.83	9528.32	14258.42	41540.26	44428.76
6. Tax expense:					
Current tax	4083.29	1911.75	3884.06	12505.57	10952.62
Deferred tax	(924.90)	(235.11)	(467.99)	(2588.64)	(1149.49)
Related to earlier year	-	-	(456.68)	-	(131.36)
7. Profit for the period (5-6)	8949.44	7851.68	11299.03	31623.33	34756.99
8. Profit for the period attributable to:					
- Owners of the Company	8943.07	7843.47	11292.79	31580.22	34727.73
- Non-Controlling Interest	6.37	8.21	6.24	43.11	29.26
9. Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss					
a) Remeasurements of the defined benefit plans	66.55	(23.56)	(253.27)	(4.13)	(174.28)
b) Equity instruments through other comprehensive income	(2916.24)	-	5350.92	(2912.30)	5350.86
(ii) Income tax relating to items that will not be reclassified to profit or loss	(16.70)	5.93	63.75	0.19	43.88
B (i) Items that will be reclassified to profit or loss					
- Foreign currency translation differences	18.27	86.00	210.97	1549.19	483.08
(ii) Income tax relating to item that will be reclassified to profit or loss	-	-	-	-	-
Other Comprehensive Income (net of tax)	(2848.12)	68.37	5372.37	(1367.05)	5703.54
10. Other Comprehensive Income attributable to:					
- Owners of the Company	(2848.12)	68.37	5372.37	(1367.05)	5703.54
- Non-Controlling Interest	-	-	-	-	-
11. Total Comprehensive Income for the period (7+9)	6101.32	7920.05	16671.40	30256.28	40460.53
12. Total Comprehensive Income attributable to:					
- Owners of the Company	6094.95	7911.84	16665.16	30213.17	40431.27
- Non-Controlling Interest	6.37	8.21	6.24	43.11	29.26
13. Paid-up equity share capital (Face value - Re. 1/-)	5946.05	5946.05	5946.05	5946.05	5946.05
14. Other equity excluding revaluation reserve				432317.55	404361.81
15. Earnings per equity share of per value of Re. 1 each.					
(1) Basic (Rs.)	1.50	1.32	1.90	5.31	5.84
(2) Diluted (Rs.)	1.50	1.32	1.90	5.31	5.84

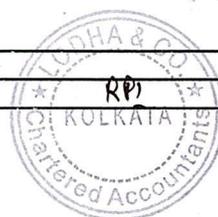


## Annexure I

## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
	(Audited)	(Audited)
<b>A. ASSETS</b>		
<b>( 1 ) Non-current assets</b>		
(a) Property, Plant and Equipment	266848.62	270311.99
(b) Capital work-in-progress	130245.03	120776.97
(c) Goodwill on consolidation	216.03	216.03
(d) Other Intangible assets	566.75	408.88
(e) Right-of-use assets	5452.68	5384.64
(f) Investments in associates and joint ventures	-	-
(g) Financial Assets		
(i) Investments	6594.57	9506.87
(ii) Loans	23.34	21.53
(iii) Other financial assets	5536.77	4256.02
(h) Non Current Tax Assets (Net)	2240.51	1443.89
(i) Other non-current assets	2756.25	940.98
<b>Total Non-Current assets</b>	<b>420480.55</b>	<b>413267.80</b>
<b>( 2 ) Current assets</b>		
(a) Inventories	226920.82	224545.93
(b) Financial Assets		
(i) Investments	9542.04	36172.87
(ii) Trade receivables	105643.35	94186.42
(iii) Cash and cash equivalents	23049.45	21373.21
(iv) Bank balances other than (iii) above	18152.74	30504.10
(v) Loans	10935.00	5308.00
(vi) Other financial assets	21568.91	20240.45
(c) Other current assets	15568.02	16783.39
<b>Total Current assets</b>	<b>431380.33</b>	<b>449114.37</b>
<b>Total Assets</b>	<b>851860.88</b>	<b>862382.17</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	5946.05	5946.05
(b) Other Equity	432317.55	404361.81
(c) Non-Controlling Interest	109.52	140.08
<b>Total Equity</b>	<b>438373.12</b>	<b>410447.94</b>
<b>LIABILITIES</b>		
<b>( 1 ) Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	73656.96	87717.83
(ii) Lease liabilities	3025.96	2957.54
(b) Provisions	4035.14	4182.01
(c) Deferred tax liabilities (Net)	31954.53	34543.36
(d) Other non-current liabilities	418.60	3460.75
(e) Non-current Tax Liabilities (Net)	6210.24	6215.64
<b>Total Non-current liabilities</b>	<b>119301.43</b>	<b>139077.13</b>
<b>( 2 ) Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	189156.87	205268.97
(ii) Lease liabilities	899.58	752.64
(iii) Trade payables		
(a) Total Outstanding dues of Micro enterprises and small enterprises: and	1595.15	2663.11
(b) Total Outstanding of creditor other than Micro enterprises and small enterprises	57106.79	60158.23
(iv) Other financial liabilities	10681.16	4068.09
(b) Other current liabilities	30097.04	37683.89
(c) Provisions	3511.30	1600.51
(d) Current Tax Liabilities (Net)	1138.44	661.66
<b>Total Current liabilities</b>	<b>294186.33</b>	<b>312857.10</b>
<b>Total Equity and Liabilities</b>	<b>851860.88</b>	<b>862382.17</b>



CONSOLIDATED STATEMENT OF CASH FLOW		(Rs. in lakhs)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before Tax	41540.26	44428.76	
Adjustment to reconcile profit before tax to net cash generated from operating activities			
Add			
Depreciation and amortisation expenses	12119.76	11468.03	
Sundry balances/Advances/CWIP written off	2874.60	1,788.36	
Bad Debts	-	403.05	
Credit loss allowances on trade receivables/advances/others	424.20	197.42	
Provision for obsolescence of Inventories	2428.99	242.40	
Provision for regulated reserve and other risks	1837.90	-	
Loss on sale / discard of Fixed Assets (Net)	830.73	404.07	
Fair Valuation of derivative instruments through Profit and Loss	900.25	(702.31)	
Net gain /(loss) on Fair valuation of Current Investments	85.56	(94.54)	
Finance costs	28588.92	50090.91	19467.99
	<b>91631.17</b>	<b>77603.23</b>	
Less:			
Interest Income	4924.07	3231.63	
Dividend Income from Investments	0.50	-	
Deferred Income	25.64	25.64	
Net gain on derecognition of financial assets at amortised cost	25.94	1.25	
Unrealised Foreign Exchange Fluctuation and translation	1690.89	746.95	
Profit on sale of Current Investment	394.46	166.07	
Profit on sale of Non Current Investment	-	784.52	
Provisions / Liabilities no longer required written back	788.57	7850.07	949.32
Operating Profit before Working Capital changes	<b>83781.10</b>	<b>71697.85</b>	
Movements in working capital			
Less:			
Increase/(Decrease) in Inventories	4803.88	101128.01	
Increase/(Decrease) in Trade Receivables	9973.33	17072.00	
Increase/(Decrease) in Loans and Advances, other financial and non-financial assets	(1771.51)	2587.03	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	12730.13	25735.83	(32761.56)
Cash generated From Operations	<b>58045.27</b>	(16327.63)	
Less: Direct Taxes paid (Net)	12825.63	11581.76	
Net cash flow from Operating activities (A)	<b>45219.64</b>	<b>(27909.39)</b>	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment against Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	(18753.62)	(19488.96)	
Realisation against Property, Plant and Equipment, Intangible Assets	371.18	1608.03	
Purchase of Current Investment	(358871.17)	(188373.12)	
Sale of Current Investment	385810.90	168121.45	
Sale of Non Current Investment	-	1201.32	
Inter Corporate Loan given	(17500.00)	(20000.00)	
Inter Corporate Loan repaid	11873.00	16422.00	
Interest received	4394.63	3295.88	
Dividend received	0.50	-	
Movement in bank balances other than cash and cash equivalents	9504.29	16829.71	4334.28
Net Cash flow from Investing activities (B)	<b>16829.71</b>	<b>(32879.12)</b>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from application towards share warrants	2499.41	-	
Payment to Non- Controlling Interest	(85.53)	(44.57)	
Proceeds/(Repayments) from short term borrowings (net)	(12534.31)	77403.54	
Repayment of Long Term borrowings	(33051.43)	(36826.04)	
Proceeds from Long Term borrowings	13770.81	41680.00	
Interest and other borrowing cost paid	(25549.96)	(17879.62)	
Repayment of Lease Liability	(665.26)	(744.49)	
Dividend paid	(4756.84)	(60373.11)	(2726.11)
Net cash flow from Financing activities (C)	<b>(60373.11)</b>	<b>60862.71</b>	
D. Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)	<b>1676.24</b>	<b>74.20</b>	
E. Cash and Cash equivalents at the beginning of the year	<b>21373.21</b>	<b>21299.01</b>	
F. Cash and Cash equivalents at the end of the year	<b>23049.45</b>	<b>21373.21</b>	



**Notes:**

1. The above Audited Consolidated financial results of Electrosteel Castings Limited (the 'Parent Company') and its subsidiaries (together referred to as the Group) for the quarter and year ended March 31, 2023 (hereinafter referred to as "Financial Results") includes Statement of Assets and Liabilities as on March 31, 2023 ("Annexure I") and Cash Flow for the year ended March 31, 2023 ("Annexure II") attached herewith. These Financial Results, compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 17, 2023 and have been subjected to Audit by the Statutory Auditors.
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 got expired on January 11, 2017. Pending decision of Hon'ble High Court at Jharkhand on the matter pursuant to the writ petition filed before the said court, the parent company without prejudice to the decision to pursue the said petition has decided during the quarter ended June 30, 2022 as a matter of abundant caution to charge off the amounts so paid pertaining to the said mine and carried forward under Capital work in progress and advances and thereby, Rs. 2756.99 lakhs has been included under other expenses for the year ended March 31, 2023.
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 was thereafter allotted to Steel Authority of India Limited (SAIL) and pending final determination compensation of Rs. 8312.14 lakhs was received. The parent company also came to understand that SAIL subsequently 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 and based on the said judgement, the parent Company has claimed Rs. 154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. Aggrieved due to delay in acceptance of claim, 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 amount of compensation to be paid to the parent company. Earlier the Nominated Authority had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the said decision. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated November 11, 2019. The parent company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same is under consideration and a final compensation is yet to be decided. The parent company had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets. Pending such decision, in the meantime, the Ministry vide notification dated November 03, 2022 had included the said Parbatpur Coal Block in the "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and JSW Steel Limited (JSW) has emerged as successful bidder in the said auction. Accordingly, the claim for compensation in this respect therefore is to be determined on receipt of order for vesting of the said mine to JSW. The parent company's management however, is pursuing to revise and determine the amount of entire compensation for coal block in terms of the aforesaid judgement passed by the Hon'ble High Court of Delhi.

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. 2090.04 lakhs have been adjusted.

Necessary disclosures and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.



5. The parent Company holds 197,96,000 equity shares of Rs. 10/- each in ESL Steel Limited (ESL) out of which 173,34,999 equity shares of Rs. 10/- each amounting to Rs. 5744.81 lakhs have been pledged with the consortium of lenders of ESL (lenders). The notices issued by the lenders for invocation of pledge of parent company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the Parent Company's plea 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 parent company, situated at Elavur, Tamil Naidu, were mortgaged to another lender SREI Infrastructure Finance Limited (SREI) of ESL and SREI had subsequently assigned the right of the said property to an Asset Reconstruction Company (ARC) although the claims of the said lender were fully discharged by the ESL as per the Resolution Plan approved by NCLT, Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land against alleged claim in SARAFESI Notice in an earlier year. The parent Company had disputed the alleged assignment of the loan by the lender at Hon'ble Madras High Court. Subsequently, as per direction of the Hon'ble Supreme Court, the parent Company had filed an application before the Debt Recovery Tribunal (DRT), Chennai for setting aside the SARAFESI actions and release of the title deeds of such land. The DRT vide its order dated April 08, 2022 uploaded on April 27, 2022 had dismissed the application of the parent Company. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the parent Company to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs and was of the view that at admission stage it cannot go in to the merits of the case hence, cannot give any relief on the pre-deposit. The parent Company then has filed revision application at Hon'ble Madras High Court under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution challenging provisions of pre-deposit under SARAFESI Act. The matter is now pending before Hon'ble Madras High Court.
- Earlier, the ARC had also filed an application before the National Company Law Tribunal, Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) process against the parent Company which has been decided in the favour of the parent Company vide NCLT order dated June 24, 2022 by dismissing the application of ARC. The ARC has challenged the order of NCLT, Cuttack and the matter is pending before National Company Law Appellate Tribunal (NCLAT), New Delhi.
- Pending finalization of the matter, these assets have been carried forward at their book value.
6. 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 consolidated financial results.
7. The parent company has allotted 2,35,79,344 warrants convertible into or exchangeable for 1 (one) fully paid-up equity shares of the parent company having face value of Re. 1 each at the issue price of Rs. 42.41 each payable in cash ('warrant issue price') on preferential basis to Promoter/ Promoter group on December 27, 2022 as approved by the Shareholders vide their postal ballot resolution dated December 23, 2022. The said allotment has been done upon receipt of Rs. 10.60 for each warrants aggregating to Rs. 2499.41 lakhs included under other equity being the amount equivalent to 25% of the warrant issue price as upfront contribution received by the parent company in this respect entitling the warrant holders to apply for and get allotted one equity shares of the parent company against each warrant held in one or more tranche within a maximum period of eighteen months from the date of allotment on payment of balance amount of Rs. 31.81 each which is equivalent to 75% of the warrant issue price.
8. The financial statements of Electrosteel Brasil Ltda. Tubos e Conexoes Duteis, a subsidiary company for the year ended March 31, 2023 has not been subjected to audit by their auditor.
9. Subsequent to the balance sheet date, the Board of Directors has recommended a dividend of Re. 0.90 per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2023. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial results. The total estimated equity dividend to be paid is Rs. 5351.45 lakhs.
10. The figures for the quarters ended March 31, 2023 and March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the year to date upto the quarter ended December 31 of the respective years which were subject to limited review by the Statutory Auditors.
11. Previous periods' figures have been regrouped/rearranged wherever necessary.

For ELECTROSTEEL CASTINGS LIMITED



**Pradip Kumar Khaitan**

Chairman

(DIN: 00004821)

Kolkata  
May 17, 2023



**ANNEXURE I**

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

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023**  
**[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(Rs in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	736042.76	Not Ascertainable
	2.	Total Expenditure	694502.50	
	3.	Net Profit/(Loss) (including other comprehensive income)	30256.28	
	4.	Earnings Per Share	5.31	
	5.	Total Assets	851860.88	
	6.	Total Liabilities	851860.88	
	7.	Net Worth (Equity Share Capital plus Other Equity)	438263.60	
	8.	Any other financial item(s) (as felt appropriate by the management)	--	

II.

**Audit Qualification (each audit qualification separately):**

**a. Details of Audit Qualification:**

Attention has been drawn by the Auditors' under the heading "Basis of Qualified Opinion" of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31<sup>st</sup> March 2023 -

Sub Para (a): Note no. 4 regarding cancellation of coal block allotted to the parent in earlier year and adjustments required to be carried out in respect of the claim received so far and carrying value of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account for the reasons stated therein. Impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

Sub Para (b): Note No. 5 in respect of parent investment in ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Calcutta and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land had been taken by the said party. The matter has been disputed by the parent and is currently pending before DRAT and Hon'ble High Court at Madras. Impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

**b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion**



c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 4 since financial year 2014-15 and Note no. 5 since financial year 2017-18.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**  
N.A

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

(i) **Management's estimation on the impact of audit qualification:** N.A

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

Sub Para (a) – 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 was thereafter allotted to Steel Authority of India Limited (SAIL) and pending final determination, compensation of Rs. 8312.14 lakhs was received. The parent company also came to understand that SAIL subsequently 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 and based on the said judgement, the parent Company has claimed Rs.154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. Aggrieved due to delay in acceptance of claim, 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 amount of compensation to be paid to the parent company. Earlier the Nominated Authority had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the said decision. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated November 11, 2019. The parent company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same is under consideration and a final compensation is yet to be decided. The parent company had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets. Pending such decision, in the meantime, the Ministry vide notification dated November 03, 2022 had included the said Parbatpur Coal Block in the "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and JSW Steel Limited (JSW) has emerged as successful bidder in the said auction. Accordingly, the claim for compensation in this respect therefore is to be determined on receipt of order for vesting of the said mine to JSW. The parent company's management however, is pursuing to revise and determine the amount of entire compensation for coal block in terms of the aforesaid judgement passed by the Hon'ble High Court of Delhi.

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. 2090.04 lakhs have been adjusted.

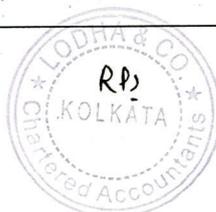
Necessary disclosures and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

Sub Para (b) - In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by ESL Steel Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the parent Company during the quarter ended June 30, 2018. To comply with the requirements of Ind AS 109 "Financial Instruments", the parent Company had fair valued the investment in ESL and a sum of Rs. 57868.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss in the quarter ended June 30, 2018. Further in terms of the approved resolution plan, advances and trade receivable amounting to Rs. 21121.70 lakhs receivable from ESL was written off during the quarter ended September 2018 shown as exceptional item in the statement of Profit and Loss.

The parent Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. During the year, the parent company has fair valued the equity share of ESL and a loss of Rs. 2915.95 lakhs has been accounted for in other comprehensive income.

Investment in ESL include 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 5744.81 lakhs as on March 31, 2023 have been pledged with the consortium of lenders of ESL (lenders). The notices issued by the lenders for invocation of pledge of parent company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the parent company's plea for release of such pledge is pending before the Hon'ble Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs of the parent company, situated at Elavur, Tamil Naidu, were mortgaged to another lender SREI Infrastructure Finance Limited (SREI) of ESL and SREI had subsequently assigned the right of the said property to an Asset Reconstruction Company (ARC) although the claims of the said lender were fully discharged by the ESL as per the Resolution Plan approved by NCLT, Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land against alleged claim in SARAFESI Notice in an earlier year. The parent Company had disputed the alleged assignment of the loan by the lender at Hon'ble Madras High Court. Subsequently, as per direction of the Hon'ble Supreme Court, the parent Company had filed an application before the Debt Recovery Tribunal (DRT), Chennai for setting aside the SARAFESI actions and release of the title deeds of such land. The DRT vide its order dated April 08, 2022 uploaded on April 27, 2022 had dismissed the application of the parent Company. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the parent Company to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs and was of the view that at admission stage it cannot go in to the merits of the case hence, cannot give any relief on the pre-deposit. The parent Company then has filed revision application at Hon'ble Madras High Court under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution challenging provisions of pre-deposit under SARAFESI Act. The matter is now pending before Hon'ble Madras High Court.



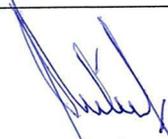
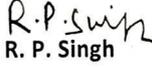
Earlier, the ARC had also filed an application before the National Company Law Tribunal, Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) process against the parent Company which has been decided in the favour of the Company vide NCLT order dated June 24, 2022 by dismissing the application of ARC. The ARC has challenged the order of NCLT, Cuttack and the matter is pending before National Company Law Appellate Tribunal (NCLAT), New Delhi.

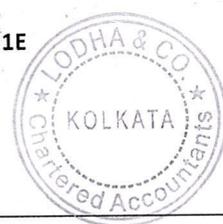
Pending finalization of the matter, these assets have been carried forward at their book value.

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

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the management and as such cannot be commented upon by us.

III. **Signatories:**

CEO/Managing Director	 Sunil Katial (Chief Executive Officer & Whole-time Director)
CFO	 Ashutosh Agarwal (Whole-time Director and Chief Financial Officer)
Audit Committee Chairman	 Binod Kumar Khaitan (Audit Committee Chairman)
Statutory Auditor	For Lodha & Co Chartered Accountants Firm's Registration No: 301051E  R. P. Singh (Partner) Membership No: 052438



Place: Kolkata  
Date: May 17, 2023