

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



12 August, 2022

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 12 August, 2022

Pursuant to Regulation 30 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please be informed that the Board of Directors, at its meeting held today, have, inter-alia, approved the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended 30 June, 2022.

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

Time of Commencement of Meeting: 1130 Hours
Time of Conclusion of Meeting: 1500 Hours

This is for your information and records.

Thanking you.

Yours faithfully,

For Electrosteel Castings Limited

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

Indranil Mitra
Company Secretary
ICSI: A20387



Encl.: As above

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

To,
The Board of Directors,
Electrosteel Castings Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Electrosteel Castings Limited** ("the Company") for the quarter ended June 30, 2022 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation"), read with SEBI Circular No. CIR/CFD/CMD1 /44/2019 dated March 29, 2019 ("the Circular").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors in their meeting held on August 12, 2022, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133, of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the following notes of the accompanying results:
 - a) Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalization of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.



- b) Note No. 5 in respect to Company's investment amounting to Rs. 8,298.26 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further the Land of Elavur plant of the Company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the earlier years, has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

Impacts with respect to (a) & (b) above are presently not ascertainable and as such cannot be commented upon by us.

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

5. Attention is also drawn to the fact that the figures for the quarter ended March 31, 2022 as reported in these standalone financial results are the balancing figures between audited figures in respect of full financial year ended March 31, 2022 and the published year to date figures up to the third quarter of the previous financial year, which were subject to limited review by us.

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



Gopal Jain

(Gopal Jain)
Partner

Membership No. 059147

UDIN: 22059147A0WAHR3805

Place: Kolkata

Date: August 12, 2022



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

(Amount Rs. in lakhs unless otherwise stated)

STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER ENDED 30/06/2022

Particulars	3 months ended 30/06/2022	Preceding 3 months ended 31/03/2022	Corresponding 3 months ended in the previous year 30/06/2021	Year to date figures for previous year ended 31/03/2022
	(Unaudited)	(Audited) (Refer Note No.7)	(Unaudited) (Refer Note No.6)	(Audited)
1. Revenue From Operations	172859.72	155533.19	100345.95	501482.77
2. Other Income	2237.17	2894.95	1368.44	8032.93
3. Total income (1 + 2)	175096.89	158428.14	101714.39	509515.70
4. EXPENSES				
(a) Cost of materials consumed	98351.48	86065.07	56119.52	275294.38
(b) Purchases of Stock-in-Trade	-	-	9.88	22.47
(c) Changes in inventories of finished goods, Stock in-Trade and work-in-progress	(5003.25)	(2643.89)	(8048.68)	(24503.06)
(d) Employee benefits expense	8437.47	8290.83	7402.50	32591.17
(e) Finance costs	5966.86	5082.00	5633.04	18526.53
(f) Depreciation and amortization expense	2871.99	2895.08	2614.35	11257.67
(g) Other expenses	50749.51	43457.93	30972.61	154466.27
Total expenses	161374.06	143147.02	94703.22	467655.43
5. Profit before tax (3 - 4)	13722.83	15281.12	7011.17	41860.27
6. Tax expense:				
Current tax	3552.31	3685.00	2206.25	10400.00
Deferred tax	(247.74)	(208.89)	(537.93)	(643.34)
Related to earlier year	-	(456.68)	-	(456.68)
7. Profit for the period (5 - 6)	10418.26	12261.69	5342.85	32560.29
8. Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans	(23.56)	(253.27)	26.33	(174.28)
b) Equity instruments through other comprehensive income	3.94	5350.92	(0.33)	5350.86
(ii) Income tax relating to items that will not be reclassified to profit or loss	5.03	63.75	(6.55)	43.88
B (i) Items that will be reclassified to profit or loss	-	-	-	-
Other Comprehensive Income for the period (net of tax)	(14.59)	5161.40	19.45	5220.46
9. Total Comprehensive Income for the period (7 + 8)	10403.67	17423.09	5362.30	37780.75
10. Paid-up equity share capital (Face value - Re. 1/-)	5946.05	5946.05	5946.05	5946.05
11. Other equity excluding revaluation reserve				392796.72
12. Earnings per equity share of par value of Re. 1 each.				
(1) Basic (Rs.)	1.75	2.06	0.90	5.48
(2) Diluted (Rs.)	1.75	2.06	0.90	5.48



Notes:

1. The above standalone financial results which have been prepared in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 12, 2022. These results have been subjected to review by the Statutory Auditors.
2. The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
3. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect expired on January 11, 2017. The Company filed a writ petition before the Hon'ble High Court at Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, admitted the said petition and fixed the case for further hearing and adjudication. Rs. 3451.04 lakhs has been incurred so far in connection with these mines/related facilities under the respective heads of fixed assets, capital work in progress and advances till June 30, 2022. Pending adjudication, a sum of Rs. 2756.99 lakhs has been written off and Rs. 260.60 lakhs has been provided for during the quarter as an abundant precaution and the balance of Rs. 433.45 lakhs incurred on freehold land/leasehold land has been carried forward. However, the Company continues to pursue the case.

4. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL). The company also understand that the SAIL has handed over back the said coal block to the custody of BCCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim and on a petition filed by the Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the compensation. Earlier the Nominated Authority had upheld its decision of compensation already paid and the same was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider. The Nominated authority further passed an order dated 11.11.2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019. Based on the valuation report submitted to the Nominated Authority, the valuer had recommended a valuation based on total direct / hard cost, for such specified assets, which is under consideration of the Nominated Authority and a final compensation has not been declared as yet. The company has also earlier approached the newly appointed Nominated Authority/ Ministry of Coal to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets, which is pending at the Ministry.

The Ministry of Coal has once again put up the Parbatpur Coal Block in the list of mines to be auctioned (for commercial mining) and the bidding process is under progress. Based on the information available only one bidder has submitted its proposal. The tender document for the auction also specifically provides that the successful bidder shall have to pay the compensation to the prior allottee even if the same is decided/declared subsequently. Meanwhile the Company is also exploring other possibilities.

Pending finalisation of the matter as above;

- (i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;
- (ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and
- (iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2083.63 lakhs have been adjusted.

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



5. The Company holds 198,01,000 equity shares of Rs. 10/- each in Electrosteel Steels Limited (ESL) out of which 173,34,999 equity shares of Rs. 10/- each amounting to Rs. 8290.26 lakhs have been pledged with the consortium of lenders of ESL. The notices issued by the consortium of lenders of ESL for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year. The plea of the company for release of such pledge is pending before the Hon'ble Court.

Further in the earlier years, certain land amounting to Rs. 29493.58 lakhs of the company, situated at Elavur, Tamilnadu, were mortgaged to a lender (SREI Infrastructure Finance Limited) of ESL and the lender 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 SARFESI Notice and taken the symbolic possession of the said land against alleged claim in SARFESI 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 SARFESI actions and release of the title deeds of such land. The DRT vide its order dated 8th April 2022 uploaded on 27th April 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 SARFESI 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 SARFESI 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 24th June 2022 by dismissing the application of ARC. The ARC has challenged the order of NCLT, Cuttack in NCLAT, Delhi which is pending.

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

6. As reported in the previous year, the National Company Law Tribunal (Cuttack Bench) vide its order dated December 09, 2021 has approved the scheme of Arrangement between the Company and Srikalahasthi Pipes Limited (SPL) whereby SPL has been merged with the company w.e.f. October 01, 2020 i.e. the Appointed Date. Necessary filings with the Registrar of the Companies, Cuttack was made on December 31, 2021 and the scheme became effective from the Appointed Date. In view of the above, the corresponding comparative quarter of the preceding year in the results have been restated to give impact of the scheme as if the merger of SPL had occurred from the beginning of the appointed date in line with the clarification issued by the Ministry of Corporate Affairs vide circular no. 09/2019 dated August 21, 2019.
7. The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the published year to date figure upto December 31, 2021 which have been subjected to Limited Review by the Statutory Auditors.
8. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata
August 12, 2022



For ELECTROSTEEL CASTINGS LIMITED




Umang Kejriwal
Managing Director
(DIN: 000065173)

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

To,
The Board of Directors,
Electrosteel Castings Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Electrosteel Castings Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), for the quarter ended June 30, 2022 ("the Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'), read with SEBI's Circular No. CIR/CFD/CMD1 /44/2019 dated March 29, 2019 ('the Circular').
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors in their meeting held on August 12, 2022, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133, of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

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



5. Attention is drawn to the following notes of the accompanying results:
- a) Note no. 4 in respect to cancellation of coal block allotted to the parent company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.
- b) Note No. 5 in respect to parent company's investment amounting to Rs. 8,298.26 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the parent company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further the Land of Elavur plant of the parent company which is mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity and the symbolic possession has been taken in the earlier years, has been disputed by the parent company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

Impacts with respect to (a) & (b) above are presently not ascertainable and as such cannot be commented upon by us.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditor and management certified accounts referred to in paragraph 7 and 8 below, we report that, *excepting the possible effect of the matters stated in paragraph 5 above*, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation read with Circular, including the manner in which it is to be disclosed, or that it contains any material mis-statement.
7. We did not review the interim financial results & other financial information in respect of one subsidiary located outside India included in this unaudited consolidated financial results, whose interim financial results reflects total assets of Rs. 62,551.79 lakhs as at June 30, 2022, total revenue of Rs. 25,056.34 Lakhs, total net profit after tax of Rs. 354.14 Lakhs and total comprehensive income of Rs. 566.19 Lakhs for the quarter ended June 30, 2022, as considered in the unaudited consolidated financial results. These interim financial results have been reviewed by the other auditor and whose report has been furnished to us by the management. Our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the statement is not modified in respect of the above matter.
8. The accompanying statement also includes the interim financial results & other financial information of ten subsidiaries (including two step down subsidiaries) whose interim financial results reflects total assets of Rs. 48,299.36 lakhs as at June 30, 2022, total revenues of Rs. 15,300.81 Lakhs, total net profit after tax of Rs. 845.16 Lakhs and total comprehensive income of Rs. 1,104.18 Lakhs for the quarter ended June 30, 2022, which have not been reviewed by their auditors and have been certified by the management of the respective subsidiaries. According to the information and explanations given to us by the management of the parent, these interim financial results are not material to the group. Our conclusion on the accompanying statement is not modified in respect of the above matter.



9. The above-mentioned subsidiaries are located outside India whose interim financial results have been prepared in accordance with the accounting principles generally accepted in their respective countries and have been reviewed by their auditors, wherever stated above, under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial results of these subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditor / management certified accounts and the conversion adjustments prepared by the management of the Parent company and reviewed by us.
10. In view of the investments in North Dhadhu Mining Company Private Limited, a Joint Venture of the Parent Company, being fully provided in the books, the results of North Dhadhu Mining Company Private Limited has not been incorporated in the consolidated results.
11. As stated in Note No. 6 of the unaudited consolidated financial results, the financial statements of Domco Private Limited, a joint venture, have not been consolidated in the results, due to non availability of the Statements as required in terms of IND AS-28 on "Investments in Associates and Joint Ventures".
12. Attention is also drawn to the fact that the figures for the quarter ended March 31, 2022 as reported in these financial results are the balancing figures between audited figures in respect of full financial year ended March 31, 2022 and the published year to date figures up to the third quarter of the previous financial year, which were subject to limited review by us.

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



(Gopal Jain)
Partner

Membership No. 059147

UDIN: 22059147A0WAMH7865

Place: Kolkata
Date: August 12, 2022



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

(Amount Rs. in lakhs unless otherwise stated)

STATEMENT OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30/06/2022

Particulars	3 months ended 30/06/2022	Preceding 3 months ended 31/03/2022	Corresponding 3 months ended in the previous year 30/06/2021	Year to date figures for previous year ended 31/03/2022
	(Unaudited)	(Audited) (Refer Note No.8)	(Unaudited) (Refer Note No.7)	(Audited)
1. Revenue From Operations	176713.04	157695.07	109747.41	528095.22
2. Other Income	1633.90	857.44	1570.21	5575.66
3. Total income (1 + 2)	178346.94	158552.51	111317.62	533670.88
4. EXPENSES				
(a) Cost of materials consumed	98351.48	86065.07	56119.52	275294.37
(b) Purchases of Stock-in-Trade	2860.91	3707.96	2326.34	11208.34
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(10785.70)	(11751.78)	(8320.02)	(38679.33)
(d) Employee benefits expense	10107.90	10403.05	9197.65	39769.36
(e) Finance costs	6214.70	5274.37	6020.68	19467.99
(f) Depreciation and amortization expense	3017.42	3057.54	2765.36	11468.03
(g) Other expenses	55861.15	47537.88	34323.28	170713.36
Total expenses	165627.86	144294.09	102432.81	489242.12
5. Profit before tax (3-4)	12719.08	14258.42	8884.81	44428.76
6. Tax expense:				
Current tax	3885.36	3884.06	2317.98	10952.62
Deferred tax	(684.15)	(467.99)	(594.98)	(1149.49)
Related to earlier year	-	(456.68)	-	(131.36)
7. Profit for the period (5-6)	9517.87	11299.03	7161.81	34756.99
8. Profit for the period attributable to:				
- Owners of the Company	9508.88	11292.79	7149.89	34727.73
- Non-Controlling Interest	8.99	6.24	11.92	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	(23.56)	(253.27)	26.33	(174.28)
b) Equity instruments through other comprehensive income	3.94	5350.92	(0.33)	5350.86
(ii) Income tax relating to items that will not be reclassified to profit or loss	5.03	63.75	(6.55)	43.88
B (i) Items that will be reclassified to profit or loss				
- Foreign currency translation differences	471.37	210.97	(160.73)	483.08
(ii) Income tax relating to item that will be reclassified to profit or loss	-	-	-	-
Other Comprehensive Income (net of tax)	456.78	5372.37	(141.28)	5703.54
10. Other Comprehensive Income attributable to:				
- Owners of the Company	456.78	5372.37	(141.28)	5703.54
- Non-Controlling Interest	-	-	-	-
11. Total Comprehensive Income for the period (7+9)	9974.65	16671.40	7020.53	40460.53
12. Total Comprehensive Income attributable to:				
- Owners of the Company	9965.66	16665.16	7008.61	40431.27
- Non-Controlling Interest	8.99	6.24	11.92	29.26
13. Paid-up equity share capital (Face value - Re. 1/-)	5946.05	5946.05	5946.05	5946.05
14. Other equity excluding revaluation reserve				404361.81
15. Earnings per equity share of per value of Re. 1 each.				
(1) Basic (Rs.)	1.60	1.90	1.20	5.84
(2) Diluted (Rs.)	1.60	1.90	1.20	5.84



Notes:

1. The above consolidated financial results which have been prepared in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016, have been reviewed by the the Audit Committee and approved by the Board of Directors at their meeting held on August 12, 2022. These consolidated results have been subjected to review by the Statutory Auditors of the group.
2. The group operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
3. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect expired on January 11, 2017. The parent company filed a writ petition before the Hon'ble High Court at Jharkhand on January 10, 2017, praying inter alia for direction for grant of said lease in favour of the parent company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, admitted the said petition and fixed the case for further hearing and adjudication. Rs. 3451.04 lakhs has been incurred so far in connection with these mines/related facilities under the respective heads of fixed assets, capital work in progress and advances till June 30, 2022. Pending adjudication, a sum of Rs. 2756.99 lakhs has been written off and Rs. 260.60 lakhs has been provided for during the quarter as abundant precaution and the balance of Rs. 433.45 lakhs incurred on freehold land/leasehold land has been carried forward. However, the parent Company continues to pursue the case.
4. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the parent Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the parent Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL). The parent company also understand that the SAIL has handed over back the said coal block to the custody of BCCL.

Following a petition filed by the parent Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the parent Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim and on a petition filed by the parent Company, the Hon'ble High Court had directed the Nominated Authority appointed under Ministry of Coal to determine the compensation. Earlier the Nominated Authority had upheld its decision of compensation already paid and the same was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider. The Nominated Authority further passed an order dated 11.11.2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. The newly appointed Nominated Authority had appointed a valuer to determine the value of those specified assets as per the direction of Nominated Authority dated 11.11.2019. Based on the valuation report submitted to the Nominated Authority, the valuer had recommended a valuation based on total direct / hard cost, for such specified assets, which is under consideration of the Nominated Authority and a final compensation has not been declared as yet. The parent company has also approached the newly appointed Nominated Authority/ Ministry of Coal to similarly reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets, which is pending at the Ministry.

The Ministry of Coal has once again put up the Parbatpur Coal Block in the list of mines to be auctioned (for commercial mining) and the bidding process is under progress. Based on the information available only one bidder has submitted its proposal. The tender document for the auction also specifically provides that the successful bidder shall have to pay the compensation to the prior allottee even if the same is decided/declared subsequently. Meanwhile the parent Company is also exploring other possibilities.

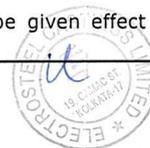
Pending finalisation of the matter as above;

(i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the parent company has continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and

(iii) Compensation of Rs. 8312.34 lakhs so far received, and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2083.63 lakhs have been adjusted.

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



5. The parent company holds 198,01,000 equity shares of Rs. 10/- each in Electrosteel Steels Limited (ESL) out of which 173,34,999 equity shares of Rs. 10/- each amounting to Rs. 8298.26 lakhs have been pledged with the consortium of lenders of ESL. The notices issued by the consortium of lenders of ESL for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year. The plea of the parent company for release of the pledge is pending before the Hon'ble Court.
- Further in the earlier years, certain land amounting to Rs. 29493.58 lakhs of the parent company, situated at Elavur, Tamilnadu, were mortgaged to a lender (SREI Infrastructure Finance Limited) of ESL and the lender 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 SARFESI Notice and taken the symbolic possession of the said land against alleged claim in SARFESI 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 SARFESI actions and release of the title deeds of such land. The DRT vide its order dated 8th April 2022 uploaded on 27th April 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 SARFESI 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 SARFESI 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 24th June 2022 by dismissing the application of ARC. The ARC has challenged the order of NCLT, Cuttack in NCLAT, Delhi which is pending.
- Pending finalization of the matter, these assets have been carried forward at their carrying 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. As reported in the previous year, the National Company Law Tribunal (Cuttack Bench) vide its order dated December 09, 2021 has approved the scheme of Arrangement between the Company and Srikalahasthi Pipes Limited (SPL) whereby SPL has been merged with the company w.e.f. October 01, 2020 i.e. the Appointed Date. Necessary filings with the Registrar of the Companies, Cuttack was made on December 31, 2021 and the scheme became effective from the Appointed Date. In view of the above, the corresponding comparative quarter of the preceding year in the consolidated results have been restated to bring in line with the accounting prescribed as per the approved scheme, however the impact of such restatement on the corresponding comparative quarter's results is not material.
8. The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the published year to date figure upto December 31, 2021 which have been subjected to Limited Review by the Statutory Auditors.
9. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata
August 12, 2022



For ELECTROSTEEL CASTINGS LIMITED

Umang Kejriwal
Managing Director
(DIN: 000065173)