

**Independent Auditors' Review Report
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 on June 30, 2023 ('the Statement'). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended ("Listing Regulations 2015"), which has been initialed by us for identification purposes.
2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors 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 the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. 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. 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 Statement which are subject matter of qualified conclusion as given in Para 5 below:
 - a) Note no. 3 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 balance lying under other heads of account for the reasons stated therein; and
 - b) Note No. 4 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.



5. Based on our review conducted as above, we report that, excepting the possible effect of the matters as stated in Para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement read with notes thereon, prepared in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, 2015, including the manner in which it is to be disclosed.

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

R. P. Singh
R. P. Singh

Partner

Membership No. 052438
UDIN: 23052438BGXSDH8597

Place: Kolkata
Date: August 09, 2023



**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)

STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER ENDED 30/06/2023

Particulars	3 months ended 30/06/2023	Preceding 3 months ended 31/03/2023	Corresponding 3 months ended in the previous year 30/06/2022	Year to date figures for previous year ended 31/03/2023
	(Unaudited)	(Audited) (Refer Note No.6)	(Unaudited)	(Audited)
1. Revenue From Operations	149492.29	176182.31	172859.72	691600.46
2. Other Income	3476.06	2370.44	2237.17	9652.16
3. Total income (1 + 2)	152968.35	178552.75	175096.89	701252.62
4. EXPENSES				
(a) Cost of materials consumed	86769.19	92387.77	98351.48	399087.45
(b) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(3887.40)	8806.64	(5003.25)	(2696.15)
(c) Employee benefits expense	8801.41	8704.13	8437.47	35809.78
(d) Finance costs	5127.58	7229.49	5966.86	27224.33
(e) Depreciation and amortization expense	2840.03	2801.96	2871.99	11401.63
(f) Other expenses	42856.90	45344.90	50749.51	187147.43
Total expenses	142507.71	165274.89	161374.06	657974.47
5. Profit before tax (3 - 4)	10460.64	13277.86	13722.83	43278.15
6. Tax expense:				
Current tax	2335.05	3347.59	3552.31	10633.96
Deferred tax	(13.96)	(200.24)	(247.74)	(832.16)
7. Profit for the period (5 - 6)	8139.55	10130.51	10418.26	33476.35
8. Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans	(1.13)	66.55	(23.56)	(4.13)
b) Equity instruments through other comprehensive income	-	(2916.17)	3.94	(2912.23)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.29	(16.70)	5.03	0.19
B (i) Items that will be reclassified to profit or loss	-	-	-	-
Other Comprehensive Income for the period (net of tax)	(0.84)	(2866.32)	(14.59)	(2916.17)
9. Total Comprehensive Income for the period (7 + 8)	8138.71	7264.19	10403.67	30560.18
10. Paid-up equity share capital (Face value - Re. 1/-)	5946.05	5946.05	5946.05	5946.05
11. Other equity excluding revaluation reserve				421099.47
12. Earnings per equity share of par value of Re. 1 each.				
(1) Basic (Rs.)	1.37	1.70	1.75	5.63
(2) Diluted (Rs.)	1.37	1.70	1.75	5.63



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Notes:

1. The above Unaudited Standalone financial results for the quarter ended June 30, 2023 (hereinafter referred to as "Financial Results") attached herewith which have been prepared in accordance with the Indian Accounting Standards ("Ind AS") - 34 "Interim Financial Reporting" as prescribed under section 133 of Companies Act, 2013 and compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). These financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 09, 2023 and have been subjected to Limited Review by the Statutory Auditors.
2. The Company operates mainly in one business segment viz. Pipes and fittings and all other activities revolve around the main business.
3. 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 so far 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. Consequent to this, the company's management 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. Bank guarantee amounting to Rs. 920.00 lakhs has been given against the compensation received.

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

4. 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 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.



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5. Pursuant to a settlement arrived in respect of Company's Joint Venture, Domco Private Limited (DPL) for carrying out mining of Coal at Jharkhand, Investment in Equity shares of DPL amounting to Rs. 30.00 lakhs and advance of Rs. 700.00 lakhs given to them being no longer recoverable have been written off during the quarter. Consequent to the said settlement Arbitration and other proceedings by or against the company have been withdrawn and DPL cease to be a Joint Venture of the company. This, however, does not have any impact on the financial results of the quarter since impairment in value thereof was provided in earlier years and the same consequent to the write off as above, has been written back and included under other income for the quarter.
6. The figure for the quarter ended March 31, 2023 is the balancing figure between the audited figures in respect of the full financial year and the year to date upto the quarter ended December 31, 2022 which were subject to limited review by the Statutory Auditors.
7. Previous periods' figures have been regrouped/rearranged wherever necessary.



For ELECTROSTEEL CASTINGS LIMITED

Umang Kejriwal
Managing Director
(DIN: 000065173)

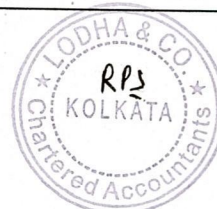
Kolkata
August 9, 2023

**Independent Auditors' Review Report
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, 2023 ("the Statement"), being submitted by the Parent Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations 2015"), which has been initialed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in 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 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 Engagements (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 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.
4. We also have performed the procedures for review in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (8) of the Listing Regulations 2015, to the extent applicable

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

Name of the Subsidiaries (Including Step-down Subsidiaries)	
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	
Name of the Joint Venture Companies	
a) North Dhadhu Mining Company Private Limited	



6. Attention is drawn to the following Notes of the Statement which are subject matter of qualified conclusion as given in Para 7 below::
- a) Note no. 3 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 balance lying under other heads of account for the reasons stated therein; and
 - b) Note No. 4 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.
7. Based on our review conducted as above and based on the consideration of the review report of other auditor and management certified accounts referred to in Paragraph 8 and 9 below, we report that excepting the possible effects of the matters stated in Para 6 above, nothing has come to our attention that causes us to believe that the accompanying statement read with notes thereon, prepared in accordance with aforesaid Indian Accounting Standards and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, 2015, including the manner in which it is to be disclosed or it contains any material mis-statement.
8. We did not review the unaudited interim financial results and other financial information in respect of one subsidiary located outside India included in the consolidated unaudited financial statements, whose financial results reflects total revenue of Rs. 2,96,71.98 lakhs, Net profit after tax of Rs. 9,17.55 lakhs, total comprehensive income of Rs. 10,48.70 lakhs for the quarter ended June 30, 2023 as considered in the unaudited consolidated financial results. These interim financial statements have been reviewed by the other auditor whose report have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditors and procedures performed by us as stated above.
9. The accompanying statement also includes the interim financial results and other financial information of ten subsidiaries (including two step down subsidiaries) whose interim financial results reflects total revenues of Rs. 1,93,62.91 lakhs, Net profit after tax of Rs. 8,37.40 lakhs, total comprehensive income of Rs. 8,67.89 lakhs for the quarter ended June 30, 2023 as considered in the unaudited consolidated financial results have not been reviewed by their auditors and have been certified by the management of the respective subsidiaries.
10. 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 the other auditors/management certified accounts and the conversion adjustments prepared by the management of the parent company and reviewed by us.
11. Our conclusion on the Statement is not modified in respect of the matters stated in Para (8) to (10) above.



12. In view of the Investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the Parent being fully provided in the books, the results of North Dhadhu Mining Company Private Limited have not been incorporated in these consolidated results.

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



Place: Kolkata
Date: August 09, 2023

R.P. Singh
R. P. Singh
Partner
Membership No. 052438
UDIN: 23052438BGXSDI7606



ELECTROSTEEL CASTINGS LIMITED
CIN: L27310OR1955PLC000310

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

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

Corporate Office: 19, Camac Street, Kolkata 700 017

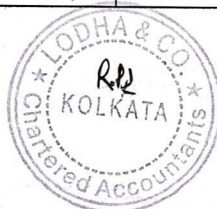
Website: www.electrosteel.com

E-mail: companysecretary@electrosteel.com

(Rs. in lakhs)

STATEMENT OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30/06/2023

Particulars	3 months ended 30/06/2023	Preceding 3 months ended 31/03/2023	Corresponding 3 months ended in the previous year 30/06/2022	Year to date figures for previous year ended 31/03/2023
	(Unaudited)	(Audited) (Refer Note No.6)	(Unaudited)	(Audited)
1. Revenue From Operations	168503.52	187237.36	176713.04	727550.76
2. Other Income	2698.72	3628.85	1633.90	8492.00
3. Total income (1 + 2)	171202.24	190866.21	178346.94	736042.76
4. EXPENSES				
(a) Cost of materials consumed	86769.19	92387.77	98351.48	399087.45
(b) Purchases of Stock-in-Trade	3383.57	3590.88	2860.91	15792.00
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	2954.43	7852.09	(10785.70)	(16002.03)
(d) Employee benefits expense	10964.70	10477.05	10107.90	43040.99
(e) Finance costs	5691.62	7724.02	6214.70	28588.92
(f) Depreciation and amortization expense	3023.61	3067.51	3017.42	12119.76
(g) Other expenses	48397.79	53659.06	55861.15	211875.41
Total expenses	161184.91	178758.38	165627.86	694502.50
5. Profit before tax (3-4)	10017.33	12107.83	12719.08	41540.26
6. Tax expense:				
Current tax	2867.81	4083.29	3885.36	12505.57
Deferred tax	(342.64)	(924.90)	(684.15)	(2588.64)
7. Profit for the period (5-6)	7492.16	8949.44	9517.87	31623.33
8. Profit for the period attributable to:				
- Owners of the Parent	7486.48	8943.07	9508.88	31580.22
- Non-Controlling Interest	5.68	6.37	8.99	43.11
9. Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans	(1.13)	66.55	(23.56)	(4.13)
b) Equity instruments through other comprehensive income	0.05	(2916.24)	3.94	(2912.30)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.29	(16.70)	5.03	0.19
B (i) Items that will be reclassified to profit or loss				
- Foreign currency translation differences	161.58	18.27	471.37	1549.19
(ii) Income tax relating to item that will be reclassified to profit or loss	-	-	-	-
Other Comprehensive Income (net of tax)	160.79	(2848.12)	456.78	(1367.05)
10. Other Comprehensive Income attributable to:				
- Owners of the Parent	160.79	(2848.12)	456.78	(1367.05)
- Non-Controlling Interest	-	-	-	-
11. Total Comprehensive Income for the period (7+9)	7652.95	6101.32	9974.65	30256.28
12. Total Comprehensive Income attributable to:				
- Owners of the Parent	7647.27	6094.95	9965.66	30213.17
- Non-Controlling Interest	5.68	6.37	8.99	43.11
13. Paid-up equity share capital (Face value - Re. 1/-)	5946.05	5946.05	5946.05	5946.05
14. Other equity excluding revaluation reserve				432317.55
15. Earnings per equity share of per value of Re. 1 each.				
(1) Basic (Rs.)	1.26	1.50	1.60	5.31
(2) Diluted (Rs.)	1.26	1.50	1.60	5.31



Notes:

1. The above Unaudited Consolidated financial results of Electrosteel Castings Limited ('the Parent') and its Subsidiaries (together referred to as 'the Group') for the quarter ended June 30, 2023 (hereinafter referred to as "Financial Results") attached herewith which have been prepared in accordance with the Indian Accounting Standards ("Ind AS") - 34 "Interim Financial Reporting" as prescribed under section 133 of Companies Act, 2013 and compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). These financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 09, 2023 and have been subjected to Limited Review by the Statutory Auditors.
2. The Group operates mainly in one business segment viz. Pipes and fittings and all other activities revolve around the main business.
3. 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 which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Parent 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 Limited ('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 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, 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 so far 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, 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. 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 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 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) had emerged as successful bidder in the said auction. Consequent to this, the parent's management, 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 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. Bank guarantee amounting to Rs. 920.00 lakhs has been given against the compensation received.

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

4. The Parent holds 19796000 equity shares of Rs. 10/- each in ESL Steel Limited (ESL) out of which 17334999 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's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the parent'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, 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 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 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. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the Parent 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 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 which has been decided in the favour of the Parent 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.



5. Pursuant to a settlement arrived in respect of Parent's Joint Venture, Domco Private Limited (DPL) for carrying out mining of Coal at Jharkhand, Investment in Equity shares of DPL amounting to Rs. 30.00 lakhs and advance of Rs. 700.00 lakhs given to them being no longer recoverable have been written off during the quarter. Consequent to the said settlement Arbitration and other proceedings by or against the Parent have been withdrawn and DPL cease to be a Joint Venture of the Group. This, however, does not have any impact on the financial results of the quarter since impairment in value thereof was provided in earlier years and the same consequent to the write off as above, has been written back and included under other income for the quarter.
6. The figure for the quarter ended March 31, 2023 is the balancing figure between the audited figures in respect of the full financial year and the year to date upto the quarter ended December 31, 2022 which were subject to limited review by the Statutory Auditors.
7. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata

August 9, 2023



For ELECTROSTEEL CASTINGS LIMITED

Umang Kejriwal
Managing Director

(DIN: 000065173)