

Independent Auditors Report on Quarterly Financial Results and Year to date Standalone Financial Results of Electrosteel Castings Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Electrosteel Castings Limited

1. We have audited the accompanying statement of quarterly standalone Ind AS financial results of **Electrosteel Castings Limited** ('the Company') for the quarter and year ended March 31, 2019 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The standalone Ind AS financial results for the quarter and year ended March 31, 2019 have been prepared on the basis of the standalone Ind AS financial results for the nine-month period ended December 31, 2018, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company.
2. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone Ind AS financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

Basis for Qualified Opinion

4. Attention is drawn to the following notes to the accompanying standalone Ind AS financial results:
 - a) Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.



- b) Note No. 7 in respect to Company's investment amounting to Rs. 1653.76 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble Calcutta High Court. Further certain fixed assets of Elavur plant of the Company which are mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity which has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.
- c) *Impacts with respect to (a) & (b) above are presently not ascertainable and as such cannot be commented upon by us.*

Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, *except for matters described in Paragraph 4 above*, these quarterly standalone Ind As financial results as well as the year to date results read with notes thereon:
- I. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
 - II. gives a true and fair view of the financial performance including total comprehensive income and other financial information for the quarter ended and year ended 31st March 2019.
6. These financial results include the results for the quarter ended 31st March, 2019, being the balancing figures between the audited figures in respect of the full financial year ended 31st March 2019 and the published year to date figures up to 31st December, 2018, which were subject to limited review by us as stated in Paragraph 2 above, as required under the SEBI Regulations read with the circular in this respect.



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

(Gopal Jain)
Partner

Membership No. 59147

Place: Kolkata
Dated: 15 May 2019



ELECTROSTEEL CASTINGS LIMITED

CIN: L27310OR1955PLC000310

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

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

Corporate Office: 19, Camac Street, Kolkata 700 017

Website: www.electrosteelcastings.com

E-mail: companysecretary@electrosteel.com

(Rs.in lakhs)

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2019

Particulars	3 months ended 31/03/2019	Preceding 3 months ended 31/12/2018	Corresponding 3 months ended in the previous year 31/03/2018	Year to date figures for current year ended 31/03/2019	Year to date figures for previous year ended 31/03/2018
	(Audited) (Refer Note 12)	(Unaudited)	(Audited) (Refer Note 12)	(Audited)	(Audited)
1. Revenue From Operations	67325.32	63979.74	56014.65	239060.75	202607.56
2. Other Income	1699.97	1536.99	1409.81	6413.50	8106.87
3. Total income (1 + 2)	69025.29	65516.73	57424.46	245474.25	210714.43
4. EXPENSES					
(a) Cost of materials consumed	29109.30	32330.11	22936.15	110588.28	86067.67
(b) Purchases of Stock-in-Trade	1355.59	1526.60	1538.22	5641.66	7800.88
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	2342.37	(2844.93)	2705.94	(6268.58)	(32.74)
(d) Employee benefits expense	4730.39	5088.66	3868.93	19416.31	18171.51
(e) Finance costs	4767.54	5735.20	5216.52	22540.22	20231.83
(f) Depreciation and amortization expense	1316.46	1335.34	1396.31	5481.79	5921.85
(g) Other expenses	21355.29	17977.50	18581.17	75018.45	68194.57
Total expenses	64976.94	61148.48	56243.24	232418.13	206355.57
5. Profit / (Loss) before exceptional items and tax (3 - 4)	4048.35	4368.25	1181.22	13056.12	4358.86
6. Exceptional Items	-	-	-	(78990.08)	-
7. Profit / (Loss) before tax (5 - 6)	4048.35	4368.25	1181.22	(65933.96)	4358.86
8. Tax expense:					
Current tax	-	-	348.35	-	2503.00
Deferred tax	2267.20	1535.59	291.39	(2348.16)	(1118.64)
Related to earlier year	-	-	(1724.14)	-	(1724.14)
9. Profit / (Loss) for the period (7 - 8)	1781.15	2832.66	2265.62	(63585.80)	4698.64
10. Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss					
a) Remeasurements of the defined benefit plans	175.28	4.31	106.61	188.18	14.33
b) Equity instruments through other comprehensive income	(1.20)	(4971.67)	(3.60)	(623.72)	(9.09)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(60.97)	(1.50)	(35.11)	(70.75)	(1.91)
B (i) Items that will be reclassified to profit or loss					
a) Effective portion of Cash flow hedge reserve	-	50.56	113.60	267.44	290.25
(ii) Income tax related to items that will be reclassified to profit or loss	-	(17.67)	(38.41)	(93.46)	(99.55)
Other Comprehensive Income for the year (net of tax)	113.11	(4935.97)	143.09	(332.31)	194.03
11. Total Comprehensive Income for the period (9 + 10)	1894.26	(2103.31)	2408.71	(63918.11)	4892.67
12. Paid-up equity share capital (Face value - Re. 1/-)	4054.82	4054.82	3569.55	4054.82	3569.55
13. Other equity excluding revaluation reserve				233755.14	285625.01
14. Earnings per equity share of par value of Re. 1 each.					
(1) Basic (Rs.)	0.46	0.74	0.63	(16.44)	1.32
(2) Diluted (Rs.)	0.46	0.74	0.63	(16.44)	1.32



(Rs.in lakhs)

STATEMENT OF STANDALONE ASSETS AND LIABILITIES

Particulars		As at March 31, 2019	As at March 31, 2018
A.	ASSETS		
	(1) Non-current assets		
	(a) Property, Plant and Equipment	155821.30	160041.32
	(b) Capital work-in-progress	123656.40	120177.59
	(c) Other Intangible assets	96.57	220.17
	(d) Investments in subsidiaries, associates and joint ventures	53147.24	114562.93
	(e) Financial Assets		
	(i) Investments	2134.88	34.09
	(ii) Trade receivables	-	128.40
	(iii) Loans	1367.67	2185.23
	(iv) Other financial assets	3500.00	3649.47
	(f) Other non-current assets	262.74	422.42
	Total Non-Current assets	339986.80	401421.62
	(2) Current assets		
	(a) Inventories	56311.21	40832.84
	(b) Financial Assets		
	(i) Investments	75.81	84.15
	(ii) Trade receivables	60116.38	55857.80
	(iii) Cash and cash equivalents	5646.93	6790.37
	(iv) Bank balances other than (iii) above	7504.61	13553.05
	(v) Loans	2130.06	1336.38
	(vi) Other financial assets	19294.95	17277.34
	(c) Other current assets	5862.33	22800.76
	Total Current assets	156942.28	158532.69
	Total Assets	496929.08	559954.31
B.	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	4054.82	3569.55
	(b) Other Equity	233755.14	285625.01
	Total Equity	237809.96	289194.56
	Liabilities		
	(1) Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	83484.15	84576.28
	(b) Provisions	1913.52	1867.59
	(c) Deferred tax liabilities (Net)	24895.41	27079.36
	(d) Other non-current liabilities	15977.84	17973.08
	(e) Non-current Tax Liabilities (Net)	4242.05	4219.00
	Total Non-current liabilities	130512.97	135715.31
	(2) Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	63361.52	44017.25
	(ii) Trade payables		
	(a) Total Outstanding dues of Micro enterprises and small enterprises: and	38.24	-
	(b) Total Outstanding dues of creditor other than Micro enterprises and small enterprises	27640.45	27879.77
	(iii) Other financial liabilities	17730.75	30805.44
	(b) Other current liabilities	17987.01	28939.05
	(c) Provisions	1848.18	1920.46
	(d) Current Tax Liabilities (Net)	-	1482.47
	Total Current liabilities	128606.15	135044.44
	Total Equity and Liabilities	496929.08	559954.31



Notes:

1. The above financial results which have been prepared in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 15, 2019.
2. The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
3. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect expired on January 11, 2017. The Company filed a writ petition before the Hon'ble High Court of Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the Hon'ble High Court, Rs.4863.43 lakhs (net of Rs. 765.58 lakhs written off during the year) so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress and advances.
4. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Company, the Hon'ble High Court at Delhi has pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company before the Hon'ble High Court, the Hon'ble Court had directed the Nominated Authority under Ministry of Coal to expedite the matter. The Hon'ble Court had further directed the Nominated Authority to take decisions within a specific time frame. During the quarter the Nominated Authority in its order has upheld its decision of the compensation paid earlier and the same has been contested by the company before the Hon'ble High Court and the matter is pending. Pending finalisation of the matter as above;

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

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and
(iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2054.70 lakhs have been adjusted.

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

5. In terms of the Hon'ble Supreme Court Order as referred above, North Dhadhu Coal Block, allotted in joint venture with other companies, has also been cancelled w.e.f. September 24, 2014. The Company barring initial contribution of Rs. 822.81 lakhs and Company's share of bank guarantee amounting to Rs. 2745.00 lakhs (encashment of which has been stayed by Hon'ble High Court of Jharkhand) has not made any further investments in the said joint venture company. In view of the management, the compensation to be received in terms of the "The Coal Mines (Special Provision) Ordinance 2014" is expected to cover the cost incurred by the Joint Venture Company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 822.81 lakhs in Joint venture has been provided during the year. In view of stay order by Hon'ble High Court, no provision in the share of the said bank guarantee has been considered necessary.
6. The Board of Directors of the Company, at its meeting held on August 11, 2014 had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary, Mahadev Vyapaar Pvt. Ltd. with the Company with effect from April 1, 2014 ("Appointed Date"). Pending approval by National Company Law Tribunal, Cuttack Bench ("NCLT"), no effect of the Scheme has been carried out.
7. In view of 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 Electrosteel Steels 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.
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. 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.
During the previous quarter, shares of ESL were delisted and Vedanta Star Limited (holding company of ESL) has made an exit offer to the shareholders of ESL at a price of Rs. 9.54 per share which is open till December 20, 2019. In view of non availability of fair value of shares of ESL due to delisting, the Company has considered the exit price as the basis of valuation of Investment in ESL.
Further 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 1653.76 lakhs as on March 31, 2019 are pledged with the lenders of the ESL. The consortium of the lenders of ESL had issued notice for the invocation of pledged shares which has been disputed by the Company and on the plea filed by the Company, the Hon'ble High Court of Calcutta has set aside the notices issued by the lenders. The Company's plea for release of the pledge is pending before the Hon'ble Court.
One of the lenders of ESL in whose favour the Company had mortgaged certain Land & Building amounting to Rs. 29571.05 lakhs of the Company situated at Elavur, Tamilnadu, has assigned its rights in favour of another entity which has been disputed by the company. Pending settlement of the matter, these assets have been carried forward at their carrying book value.



8. Capital work in progress and Security deposits includes a sum of Rs. 4066.42 lakhs & Rs. 30.44 lakhs respectively towards amount incurred towards construction of railway siding in Haldia, West Bengal . The railway authorities have withdrawn permission for the railway siding .The company has filed a petition before the High Court at Calcutta for appointment of arbitrator to adjudicate the matter and the same is pending before the court. The company is also exploring alternative avenues to utilise the siding. Pending finalization of the matter, these assets have been carried forward at their existing carrying cost.
9. In accordance with the requirements of Ind AS, revenue from operations for the quarter and year ended March 31, 2019 and quarter ended December 31,2018 and March 31, 2018 is net of Goods and Service Tax (GST). However revenue for the year ended March 31, 2018 being inclusive of excise duty (only for quarter ended June, 2017) are not comparable with corresponding figures.
10. Pre Goods & Service Tax (GST), the Company was enjoying certain benefits under Industrial Promotion Scheme of State Government. Post GST, pending notifications by the State Government, on prudent basis, the Company has not recognised any income under the scheme from July 01, 2017, as the amount thereof is presently unascertainable.
11. Other Income for the year ended March 31,2019 and quarter ended December 31, 2018 includes Rs. 803.00 lakhs on account of gain on earlier redemption of Non Convertible Debentures amounting to Rs. 16050.00 lakhs.
12. The figures for the quarter ended March 31, 2019 and March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the year to date upto 31st December of the respective years.
13. Previous periods' figures have been regrouped/rearranged wherever necessary.



For ELECTROSTEEL CASTINGS LTD.

Umang Kejriwal

Kolkata
May 15, 2019

Managing Director
(DIN: 00065173)

Independent Auditor's Report on Consolidated Year to Date Results of Electrosteel Castings Limited pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, as amended.

To The Board of Directors of Electrosteel Castings Limited

1. We have audited the consolidated financial results of Electrosteel Castings Limited ('the Holding Company') and its subsidiaries (the Company and its subsidiaries together referred to as the 'Group'), its associates and Joint Venture for the year ended 31st March, 2019, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'), read with SEBI circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016 and has been initiated by us for identification. These consolidated financial results, which is the responsibility of the Holding company's management and have been approved by the Board of Directors of the Holding Company, has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under, as applicable and other accounting principles generally accepted in India and the relevant requirements of the SEBI Regulations. Our responsibility is to express an opinion on these financial results.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable assurance basis for our qualified opinion.

Basis for Qualified Opinion

3. Attention is drawn to the following notes to the accompanying consolidated Ind AS financial results:
 - a) Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.
 - b) Note No. 7 in respect to Holding Company's investment amounting to Rs. 1653.76 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble Calcutta High Court. Further certain fixed assets of Elavur plant of the Company which are mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity which has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.



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

Qualified Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, *except for matters described in Paragraph 3 above*, these consolidated financial results read with notes thereon:
- i. Include the consolidated financial results for the year ended 31st March 2019 of:

Name of the Subsidiary Companies	
Electrosteel Trading S.A. Spain	Electrosteel Europe S.A.
MahadevVyapaar Private Limited	Electrosteel Algeria SPA
Electrosteel castings Gulf FZE	Electrosteel Castings(UK) Limited
Electrosteel Doha for Trading LLC	Electrosteel USA, LLC
Electrosteel Brasil Ltd. Tubos e Conexoes Duteis	WaterFab LLC(acquired 100% share capital through wholly owned subsidiary Electrosteel USA, LLC)
Electrosteel Bahrain Holding Company S.P.C	Electrosteel Bahrain Trading W.L.L(Subsidiary of Electrosteel Bahrain Holding Company S.P.C)
Name of the Associate companies	
Srikalahasthi Pipes Limited	Electrosteel Steels Limited*
Electrosteel Thermal Power Limited	
Name of the Joint Venture Companies	
North Dhadhu Mining Company Private Limited	Domco Private Limited (refer note 9 below)

*Ceased to be an associate during the year.

- ii. have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/62/2016 dated July 5,2016, in this regard, and
- iii. gives a true and fair view of the consolidated financial performance, total comprehensive income and other financial information for the Group for the year ended 31st March, 2019.

Other Matters:

Attention is drawn to the following:

5. We did not audit the financial statements of eleven subsidiaries companies (including two step down subsidiaries) included in the consolidated financial results for the year ended 31st March, 2019, whose financial statements reflects total assets of Rs. 64,268.25 Lakhs as at 31st March, 2019 , total revenue of Rs. 94,503.66 Lakhs for the year ended on that date and net cash out flow for the year ended as on that date of Rs. 661.09 Lakhs, as considered in the consolidated financial results based on audited financial statements by other auditors. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on the reports of the other auditors.



6. As stated in Note No. 12 of the consolidated financial results, we did not audit the financial statements of Electrosteel Brasil Ltd. Tubos e Conexoes Duties, a subsidiary of the Holding Company whose financial statements reflect total assets of Rs. 0.49 Lakhs as at March 31, 2019, total revenue of Rs. 0.32 Lakhs and Net cash outflows amounting to Rs. 0.09 Lakhs for the year ended as on that date, as considered in the consolidated Ind AS financial results. The aforesaid financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial results 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 unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
7. The consolidated Ind AS financial results also include the Group's share of net profit of Rs. 4,619.89 Lakhs and Other Comprehensive Income of Rs. (6.45) Lakhs for the year ended 31st March 2019, as considered in the consolidated Ind AS financial results, in respect of Srikalahasthi Pipes Limited and Electrosteel Thermal Power Limited, Associates of the Holding Company, whose financial statements have not been audited by us. The aforesaid financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on the reports of the other auditors.
8. As stated in Note No. 5 of the Consolidated Ind AS financial results, the investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the Holding Company, has been fully provided in the books. In view of this the results of North Dhadhu Mining Company Private Limited have not been incorporated in the books.
9. As stated in Note No. 13 of the consolidated financial results, the financial statements of Domco Private Limited, a joint venture, have not been consolidated in these Consolidated Financial statements, due to non-availability of the Statements as required in terms of IND AS-28 on "Investments in Associates and Joint Ventures".

Our opinion is not modified in respect of above matters.



Place: Kolkata
Dated: 15th May, 2019

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

(Gopal Jain)
Partner

Membership No. 59147



ELECTROSTEEL CASTINGS LIMITED
CIN: L27310OR1955PLC000310

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

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

Corporate Office: 19, Camac Street, Kolkata 700 017

Website: www.electrosteelcastings.com

E-mail: companysecretary@electrosteel.com

(Rs.in lakhs)

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED 31/03/2019

Particulars	Year to date figures for current year ended 31/03/2019	Year to date figures for previous year ended 31/03/2018
	(Audited)	(Audited)
1. Revenue From Operations	269943.64	226836.22
2. Other Income	5690.94	8109.73
3. Total income (1 + 2)	275634.58	234945.95
4. EXPENSES		
(a) Cost of materials consumed	110588.28	86067.67
(b) Purchases of Stock-in-Trade	15166.64	16783.27
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(5209.81)	(1101.68)
(d) Employee benefits expense	25093.45	23017.72
(e) Finance costs	23464.52	21027.73
(f) Depreciation and amortization expense	5851.40	6240.11
(g) Other expenses	84836.83	76458.46
Total expenses	259791.31	228493.28
5. Profit / (Loss) before exceptional items and tax (3 - 4)	15843.27	6452.67
6. Exceptional Items	(18397.20)	-
7. Profit / (Loss) before tax (5 - 6)	(2553.93)	6452.67
8. Tax expense:		
Current tax	537.80	2736.58
Deferred tax	(2337.65)	(1120.93)
Related to earlier year	-	(1724.14)
9. Profit/(Loss) after tax (7-8)	(754.08)	6561.16
Add: -Share of Profit/(Loss) in Associates and Joint Venture	4619.89	5857.54
10. Profit/(Loss) for the year	3865.81	12418.70
11. Profit/(Loss) for the year attributable to:		
- Owners of the Parent	3817.06	12402.88
- Non-Controlling Interest	48.75	15.82
12. Other Comprehensive Income		
A (i) Items that will not be reclassified to profit and loss		
a) Remeasurements of the defined benefit plans	188.18	14.33
b) Equity instruments through other comprehensive income	(623.72)	(9.09)
(ii) Income tax relating to items that will not be reclassified to profit and loss	(70.75)	(1.91)
B (i) Items that will be reclassified to profit and loss		
a) Foreign currency translation differences	(30.33)	(1078.03)
b) Effective portion of Cash flow hedge reserve	267.44	290.25
(ii) Income tax relating to items that will be reclassified to profit and loss	(93.46)	(99.55)
C Share of Other Comprehensive Income in Associates	(6.45)	9.34
Other Comprehensive Income for the year	(369.09)	(874.66)
13. Other Comprehensive Income for the year attributable to:		
- Owners of the Parent	(369.09)	(875.22)
- Non-Controlling Interest	-	0.56
14. Total Comprehensive Income for the year (10+12)	3496.72	11544.04
15. Total Comprehensive Income for the year attributable to:		
- Owners of the Parent	3447.97	11527.66
- Non-Controlling Interest	48.75	16.38
16. Paid-up equity share capital (Face value - Re. 1/-)	4054.82	3569.55
17. Other equity excluding revaluation reserve	259797.79	244301.58
18. Earnings per equity share of per value of Re. 1 each.		
(1) Basic (Rs.)	0.99	3.47
(2) Diluted (Rs.)	0.99	3.47



(Rs. In lakhs)

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

Particulars		As at March 31, 2019	As at March 31, 2018
A.	ASSETS		
	(1) Non-current assets		
	(a) Property, Plant and Equipment	162933.01	167249.33
	(b) Capital work-in-progress	123661.71	120177.60
	(c) Goodwill on consolidation	216.03	216.03
	(d) Other Intangible assets	161.58	301.82
	(e) Investments in associates and joint ventures	66192.58	63575.34
	(f) Financial Assets		
	(i) Investments	2135.24	34.57
	(ii) Trade receivables	-	128.40
	(iii) Loans	1406.20	2222.64
	(iv) Others	3500.00	3649.47
	(g) Other non-current assets	262.74	422.42
	Total Non-Current assets	360469.09	357977.62
	(2) Current assets		
	(a) Inventories	75421.41	61001.79
	(b) Financial Assets		
	(i) Investments	75.81	84.15
	(ii) Trade receivables	60878.06	52492.06
	(iii) Cash and cash equivalents	7501.16	9305.77
	(iv) Bank balances other than (iii) above	7504.61	13553.06
	(v) Loans	3776.90	4780.45
	(vi) Other financial assets	19294.95	17277.33
	(c) Other current assets	7218.99	23581.50
	Total Current assets	181671.89	182076.11
	Total Assets	542140.98	540053.73
B.	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	4054.82	3569.55
	(b) Other Equity	259797.79	244301.58
	(c) Non-Controlling Interest	65.87	37.72
	Total Equity	263918.48	247908.85
	LIABILITIES		
	(1) Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	83824.97	84856.07
	(b) Provisions	1919.27	1871.59
	(c) Deferred tax liabilities (Net)	24907.09	27080.53
	(d) Other non-current liabilities	16019.27	18023.39
	(e) Non-current Tax Liabilities (Net)	4242.05	4219.00
	Total Non-current liabilities	130912.65	136050.58
	(2) Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	77030.51	56834.87
	(ii) Trade payables		
	(a) Total Outstanding dues of Micro enterprises and small enterprises: and	38.24	-
	(b) Total Outstanding of creditor other than Micro enterprises and small enterprises	30894.15	33843.77
	(iii) Other financial liabilities	18153.81	31204.29
	(b) Other current liabilities	18762.95	30494.23
	(c) Provisions	2051.51	2174.98
	(d) Current Tax Liabilities (Net)	378.68	1542.16
	Total Current liabilities	147309.85	156094.30
	Total Equity and Liabilities	542140.98	540053.73



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 Audit Committee and approved by the Board of Directors at their meeting held on May 15, 2019.
2. The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
3. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect expired on January 11, 2017. The Company filed a writ petition before the Hon'ble High Court of Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the Hon'ble High Court, Rs.4863.43 lakhs (net of Rs. 765.58 lakhs written off during the year) so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress and advances.
4. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Company, the Hon'ble High Court at Delhi has pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company before the Hon'ble High Court, the Hon'ble Court had directed the Nominated Authority under Ministry of Coal to expedite the matter. The Hon'ble Court had further directed the Nominated Authority to take decisions within a specific time frame. During the quarter the Nominated Authority in its order has upheld its decision of the compensation paid earlier and the same has been contested by the company before the Hon'ble High Court and the matter is pending.

Pending finalisation of the matter as above:

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

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

5. In terms of the Hon'ble Supreme Court Order as referred above, North Dhadhu Coal Block, allotted in joint venture with other companies, has also been cancelled w.e.f. September 24, 2014. The Company barring initial contribution of Rs. 822.81 lakhs and Company's share of bank guarantee amounting to Rs. 2745.00 lakhs (encashment of which has been stayed by Hon'ble High Court of Jharkhand) has not made any further investments in the said joint venture company. In view of the management, the compensation to be received in terms of the "The Coal Mines (Special Provision) Ordinance 2014" is expected to cover the cost incurred by the Joint Venture Company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 822.81 lakhs in Joint venture has been provided during the year. In view of stay order by Hon'ble High Court, no provision in the share of said bank guarantee has been considered necessary. In view of the provision made during the year, the performance of the joint venture company has not been consolidated during the year.
6. The Board of Directors of the Company, at its meeting held on August 11, 2014 had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary, Mahadev Vyapaar Pvt. Ltd. with the Company with effect from April 1, 2014 ("Appointed Date"). Pending approval by National Company Law Tribunal, Cuttack Bench ("NCLT"), no effect of the Scheme has been carried out.
7. In view of 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 Electrosteel Steels Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the Company during the year. 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. 2724.50 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. 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.

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 year and shown as exceptional item in the statement of Profit and Loss.

During the year, shares of ESL were delisted and Vedanta Star Limited (holding company of ESL) has made an exit offer to the shareholders of ESL at a price of Rs. 9.54 per share which is open till December 20, 2019. In view of non availability of fair value of shares of ESL due to delisting, the Company has considered the exit price as the basis of valuation of Investment in ESL.

Further 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 1653.76 lakhs as on March 31, 2019 are pledged with the lenders of ESL. The consortium of the lenders of ESL had issued notice for the invocation of pledged shares which has been disputed by the Company and on the plea filed by the Company, the Hon'ble High Court of Calcutta has set aside the notices issued by the lenders. The Company's plea for release of the pledge is pending before the Hon'ble Court.

One of the lenders of ESL in whose favour the Company had mortgaged certain Land & Building amounting to Rs. 29571.05 lakhs of the Company situated at Elavur, Tamilnadu, has assigned its rights in favour of another entity which has been disputed by the company. Pending settlement of the matter, these assets have been carried forward at their carrying book value.



8. Capital work in progress and Security deposits includes a sum of Rs. 4066.42 lakhs & Rs. 30.44 lakhs respectively towards amount incurred towards construction of railway siding in Haldia, West Bengal . The railway authorities have withdrawn permission for the railway siding .The company has filed a petition before the High Court at Calcutta for appointment of arbitrator to adjudicate the matter and the same is pending before the court. The company is also exploring alternative avenues to utilise the siding. Pending finalization of the matter, these assets have been carried forward at their existing carrying cost.
9. In accordance with the requirements of Ind AS, revenue from operations for the year ended March 31, 2019 is net of Goods and Service Tax (GST). However revenue for the year ended March 31, 2018 being inclusive of excise duty (only for quarter ended June, 2017) are not comparable with corresponding figures.
10. Pre Goods & Service Tax (GST), the Company was enjoying certain benefits under Industrial Promotion Scheme of State Government. Post GST, pending notifications by the State Government, on prudent basis, the Company has not recognised any income under the scheme from July 01, 2017, as the amount thereof is presently unascertainable.
11. Other Income for the year ended March 31, 2019 includes Rs. 803.00 lakhs on account of gain on earlier redemption of Non Convertible Debentures amounting to Rs. 16050.00 lakhs.
12. The financial statements of Electrosteel Brasil Ltda.Tubos e Conexoes Duteis, a subsidiary company for the year ended 31st March,2019 has not been subjected to audit by their auditor
13. The Company has investment of Rs.30.00 lakhs (previous year Rs.30.00 lakhs) in equity shares and given advance of Rs.7,00.00 lakhs (previous year Rs.7,00.00 lakhs) against equity to Domco Private Limited (DPL), a Company incorporated in India, and has joint control (proportion of ownership interest of the Company being 50%) over DPL along with other venturers (the Venturers) in terms of the Shareholder's Agreement dated March 27, 2004. The Venturers had filed a petition before the Company Law Board, Principal Bench, New Delhi (CLB) on various matters including for forfeiture of the Company's investment in equity shares of the DPL. The matter was later transferred to the Company Law Board, Kolkata Bench and is now being taken up by the National Company Law Tribunal, Kolkata Bench. The 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 company. The matter is sub judice before the NCLT.Pending final outcome of the above matter, the amounts in equity shares and advance have been fully provided for in the financial statements. The other venturers since not providing the financial statements of DPL, and thereby necessary disclosures could not be provided in these financial statements.
14. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata
May 15, 2019



For ELECTROSTEEL CASTINGS LTD.

Umang Kejriwal

Umang Kejriwal

Managing Director
(DIN: 00065173)