

Independent Auditor's Review Report on the Quarterly and Year to Date 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 December 31, 2020 and year to date from April 01, 2020 to December 31, 2020 ("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 "Listing Regulations") 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 February 12, 2021, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under section 133, of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the following notes of the accompanying results:
 - a) Note No. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter and the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.
 - b) Note No. 6 in respect to Company's investment amounting to Rs. 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 High Court at Calcutta. 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 and the symbolic possession has been taken in the previous year, 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.

Singhi & Co.

Chartered Accountants

.....contd.

- c) Note No. 7 in respect to carry forward of claim recoverable amounting to Rs. 1778.11 Lakhs towards the compensation claimed from the Railway Authorities as mentioned in the note. The recovery of the same is dependent on the outcome of the arbitration process and is not presently ascertainable.

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

Based on our review conducted as stated above, we report that, *excepting the possible effect of the matters stated above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial 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 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material mis-statement.

5. We draw attention to the Note No. 10 of the financial results regarding Scheme of amalgamation between the company and Srikalahasthi Pipes Ltd. (SPL) wherein the SPL will be merged with the company with effect from the appointed date i.e. October 1, 2020 subject to the obtaining requisite approvals, as more fully described therein. Pending such approvals, no adjustment has been carried out in this quarter and nine months ended financial results. Our conclusion on the statement is not modified in respect of this matter.



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

(GOPAL JAIN)
Partner

Membership No.: 059147
UDIN: 21059147AAAAA C7359

Place: Kolkata

Date: February 12, 2021

**ELECTROSTEEL CASTINGS LIMITED**

CIN: L27310OR1955PLC000310

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

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(Rs.in lakhs)

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31/12/2020

Particulars	3 months ended 31/12/2020	Preceding 3 months ended 30/09/2020	Corresponding 3 months ended in the previous year 31/12/2019	Year to date figures for current period ended 31/12/2020	Year to date figures for previous period ended 31/12/2019	Year to date figures for previous year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue From Operations	69717.69	62933.40	64681.84	151534.95	185746.06	247988.93
2. Other Income	1650.43	2153.88	521.97	4191.31	3626.01	4181.89
3. Total income (1 + 2)	71368.12	65087.28	65203.81	155726.26	189372.07	252170.82
4. EXPENSES						
(a) Cost of materials consumed	30782.33	28216.16	28272.45	68917.26	85313.36	111841.99
(b) Purchases of Stock-in-Trade	1051.48	1058.86	622.74	2416.07	2292.68	3166.87
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	2313.07	908.68	1015.59	2509.37	(1274.66)	(557.40)
(d) Employee benefits expense	4798.07	4295.17	4425.20	12309.35	12941.67	17193.30
(e) Finance costs	4532.73	3788.70	5049.79	12747.26	16537.80	21989.75
(f) Depreciation and amortization expense	1344.68	1340.51	1331.65	3951.26	3935.86	5274.32
(g) Other expenses	21848.86	20592.92	19326.88	50548.62	57620.56	80908.46
Total expenses	66671.22	60201.00	60044.30	153399.19	177367.27	239817.29
5. Profit / (Loss) before tax (3 - 4)	4696.90	4886.28	5159.51	2327.07	12004.80	12353.53
6. Tax expense:						
Current tax	832.91	-	990.35	832.91	990.35	1351.26
Deferred tax	258.18	835.79	119.08	(806.30)	2151.75	1159.68
Related to earlier year	-	-	-	-	(17.75)	(16.19)
7. Profit / (Loss) for the period (5 - 6)	3605.81	4050.49	4050.08	2300.46	8880.45	9858.78
8. Other Comprehensive Income						
A (i) Items that will not be reclassified to profit or loss						
a) Remeasurements of the defined benefit plans	0.84	0.85	56.45	2.54	169.36	3.39
b) Equity instruments through other comprehensive income	(0.24)	15.01	18.05	41.19	(4.36)	(14.46)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.15)	(3.65)	(23.94)	(10.06)	(58.17)	2.46
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
Other Comprehensive Income for the period (net of tax)	0.45	12.21	50.56	33.67	106.83	(8.61)
9. Total Comprehensive Income for the period (7 + 8)	3606.26	4062.70	4100.64	2334.13	8987.28	9850.17
10. Paid-up equity share capital (Face value - Re. 1/-)	4329.55	4329.55	4329.55	4329.55	4329.55	4329.55
11. Other equity excluding revaluation reserve						250525.16
12. Earnings per equity share of par value of Re. 1 each.						
(1) Basic (Rs.)	0.83	0.94	0.94	0.53	2.15	2.36
(2) Diluted (Rs.)	0.83	0.94	0.94	0.53	2.15	2.36



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 meetings held on February 12, 2021. The above results have been subjected to Limited Review by the Statutory Auditors.
2. The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
3. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect expired on January 11, 2017. The Company filed a writ petition before the Hon'ble High Court at Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the Hon'ble High Court, Rs. 4015.06 lakhs so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress and advances.
4. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

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

(i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has 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 at Jharkhand) has not made any further investments in the said joint venture company. In view of the management, the compensation to be received in terms of the "The Coal Mines (Special Provision) Ordinance 2014" is expected to cover the cost incurred by the Joint Venture Company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 822.81 lakhs in Joint venture was made in the previous year. In view of stay order by Hon'ble High Court, no provision in the share of the said bank guarantee has been considered necessary.
6. Due to delisting of Electrosteel Steels Limited (ESL) and in absence of other available ways of valuation, the Company has continued to consider the exit price, which was open till December 20, 2019, as the basis of valuation of Investment in ESL. Further the notices issued by the consortium of lenders of ESL for invocation of pledge of company's investment of 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 1653.76 lakhs was set aside by the Hon'ble High Court at Calcutta. The plea of the company for release of the pledge is pending before the Hon'ble Court. Furthermore during the previous year the party, in whose favour rights of mortgage of certain Land & Building amounting to Rs. 29545.24 lakhs of the Company situated at Elavur, Tamilnadu, were assigned by a lender of the ESL, has taken the symbolic possession of said mortgaged property and the same was contested by the Company before Hon'ble Madras High Court. On disposal of Company's application by the Hon'ble High Court, the Company has preferred an appeal before Commercial Appellate, Hon'ble High Court at Madras and the matter is subjudice. Pending finalization of the matter, these assets have been carried forward at their carrying book value.



7. As reported earlier, the Railway Authorities had withdrawn the permission of operation of Railway siding under construction which is situated at Haldia, West Bengal. The company has claimed the compensation from the Railway Authorities for the amount incurred for the said siding which was denied and the matter is under arbitration based on the direction of Hon'ble High Court at Calcutta. Pending arbitration proceedings, the company has recognised a charge of Rs. 2318.35 lakhs during the previous year and a balance amounting to Rs. 1778.11 lakhs has been considered recoverable by the management of the company and shown as "Other Financial Assets" under the "Current Assets".
8. As a consequence of cyclone "Amphan", the Haldia unit of the company had suffered damages in certain items of its inventories and Fixed Assets during the quarter ended June 30, 2020. The company has lodged necessary claim with the Insurance Company for the losses incurred. The estimated loss in the inventory, after considering its realisable/realised value, and the estimated/actual cost of repairs for the reinstatement of the fixed assets has been expensed out. The claim lodged with the insurer amounting to Rs. 567.87 lakhs shall be accounted for on acceptance of the same on prudence.
9. The Company's operations and financial results for the six month ended September 30, 2020 have been adversely impacted by the outbreak of COVID-19 pandemic and the consequent lockdown announced by the Government of India due to which the operations were suspended for part of the quarter ended June 30, 2020 and gradually resumed with requisite precautions. The company has achieved its normal volume of activities in the quarter ended December 31, 2020. In view of the impact of pandemic, the results for the nine months ended December 31, 2020 are, therefore, not comparable with those of comparative nine months ended December 31, 2019.
10. The Board of Directors of the Company at its meeting held on October 5, 2020, has approved a scheme of amalgamation between the Company and Srikalahasthi Pipes Limited (SPL) wherein w.e.f the appointed date i.e. October 1, 2020, SPL will merge with the Company on a going concern basis subject to obtaining of necessary approvals. Pending such approvals, no adjustment has been carried out in the books of the accounts.
11. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata
February 12, 2021



For ELECTROSTEEL CASTINGS LIMITED

Umang Kejriwal
Managing Director
(DIN: 000065173)



Independent Auditor's Review Report on the Quarterly and Year to Date 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 ("Holding Company") and its subsidiaries (the Holding and its subsidiaries together referred to as the 'Group'), and its share of the net profit after tax and total comprehensive income of its associate and joint ventures for the quarter ended December 31, 2020 and year to date from April 1, 2020 to December 31, 2020 ("the Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations') 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 Holding Company's Management and approved by the Holding Company's Board of Directors in their meeting held on February 12, 2021, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34, ("Ind AS 34") "Interim Financial Reporting" prescribed under section 133, of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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



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

Name of the Subsidiaries	
Electrosteel Trading S.A. Spain	Electrosteel Algeria SPA
Electrosteel Castings Gulf FZE	Electrosteel Castings (UK) Limited
Electrosteel Doha for Trading LLC	Electrosteel USA, LLC
Electrosteel Brasil Ltd. Tubos e Conexoes Duteis	WaterFab LLC (acquired 100% share capital through wholly owned subsidiary Electrosteel USA, LLC)
Electrosteel Bahrain Holding Company S.P.C	Electrosteel Bahrain Trading W.L.L (Subsidiary of Electrosteel Bahrain Holding Company S.P.C)
Electrosteel Europe S.A.	
Srikalahasthi Pipes Limited (ceased to be an associate on September 17, 2020 and became a subsidiary from September 18, 2020 (refer note 10 below)	
Name of the Joint Venture Companies	
North Dhadhu Mining Company Private Limited (refer note 11 below)	Domco Private Limited (refer note 12 below)

5. Attention is drawn to the following notes of the accompanying results:

- Note No. 4 in respect to cancellation of coal block allotted to the holding 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 and as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter and 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.
- Note No. 6 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 holding company to release the pledge is pending before the Hon'ble High Court at Calcutta. Further certain fixed assets of Elavur plant of the holding company which are 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 previous year, has been disputed by the holding 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.
- Note No. 7 in respect to carry forward of claim recoverable amounting to Rs. 1778.11 Lakhs towards the compensation claimed from the Railway Authorities as mentioned in the note. The recovery of the same is dependent on the outcome of the arbitration process and is not presently ascertainable.

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



6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors and management certified accounts referred to in paragraph 7, 8, 9 and 10 below, we report that, *excepting the possible effect of the matters stated in paragraph 5 above*, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation read with circular, including the manner in which it is to be disclosed, or that it contains any material mis-statement.
7. We did not review the interim financial results & other financial information in respect of two subsidiaries, located outside India, included in this consolidated unaudited financial results, whose interim financial results reflects Group's share of total assets of Rs. 51,281.51 lakhs as at December 31, 2020, Group's share of total revenue of Rs. 20,071.47 lakhs & Rs. 50,460.89 lakhs, Group's share of total net profit after tax of Rs. 591.00 lakhs & Rs. 1,075.76 lakhs, Group's share of other comprehensive income of Rs. 186.28 lakhs & Rs. 368.70 lakhs for the quarter & nine months ended December 31, 2020 respectively, as considered in the consolidated unaudited financial results. These financial results have been reviewed by the other auditors and whose reports have been furnished to us by the management. Our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the statement is not modified in respect of the above matter.
8. These subsidiaries whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial results of such subsidiaries located outside India 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 Holding's Company's Management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.
9. The statement also includes the interim financial results of nine subsidiaries (including two step down subsidiaries), located outside India, whose interim financial results reflects Group's share of total assets of Rs. 25,674.46 lakhs as at December 31, 2020, Group's share of total revenues of Rs. 6,813.96 lakhs & Rs. 20,331.43 lakhs, Group's share of total net profit after tax of Rs. 144.41 lakhs & Rs. 302.21 lakhs, Group's share of other comprehensive income of Rs. 75.03 lakhs & Rs. 37.89 lakhs for the quarter & nine months ended December 31, 2020 respectively, which have not been reviewed by their auditors and have been certified by the management of the holding company. The interim financial results of these subsidiaries have been prepared in accordance with accounting principles generally accepted in their respective countries and have been converted by the management as per the accounting principles generally accepted in India and reviewed by us. According to the information and explanations given to us by the Management, these financial results are not material to the group. Our conclusion on the Statement is not modified in respect of the above matter.



10. We did not review the interim financial results & other financial information in respect of Srikalahasthi Pipes Limited (SPL) { ceased to be an associate and became subsidiary as on 18th September 2020}, included in this consolidated unaudited financial results, whose interim financial results reflects Group's share of total assets of Rs. 2,37,951.80 lakhs as at December 31, 2020, Group's share of total revenue of Rs. 51,773.19 lakhs, Group's share of total net profit after tax of Rs. 5,151.93 lakhs, Group's share of other comprehensive income of Rs. 3,852.09 lakhs for the period from September 18, 2020 to December 31, 2020 and interim financial results & financial information in respect to group's share of net profit after tax of Rs. 541.65 Lakhs and other comprehensive loss of Rs. (2.88) lakhs for the period from April 01, 2020 to September 17, 2020, as considered in the consolidated unaudited financial results. These financial results have been reviewed by the other auditors and whose reports have been furnished to us by the management. Our conclusion in so far as it relates to the amounts and disclosures included in respect of SPL is based solely on the reports of the other auditors, the Fit for Consolidation adjustment made by the Holding Company 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.
11. As stated in Note No. 5 of the unaudited consolidated financial results, the investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the 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 results.
12. As stated in Note No. 8 of the unaudited consolidated financial results, the financial statements of Domco Private Limited, a joint venture, have not been consolidated in the results, due to non availability of the Statements as required in terms of IND AS-28 on "Investments in Associates and Joint Ventures".
13. We draw attention to the Note No. 11(a) of the unaudited financial results regarding Scheme of amalgamation between the holding company and Srikalahasthi Pipes Ltd. (SPL) wherein the SPL will be merged with the company with effect from the appointed date i.e. October 1, 2020 subject to the obtaining requisite approvals, as more fully described therein. Pending such approvals, no adjustment has been carried out in this quarter and nine months ended financial results in respect of such scheme. Our conclusion on the statement is not modified in respect of this matter.



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

(GOPAL JAIN)
Partner

Membership No. 059147
UDIN: 20059147AAAA D1633

Place: Kolkata
Date: February 12, 2021

**ELECTROSTEEL CASTINGS LIMITED**

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(Rs. in lakhs)

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31/12/2020

Particulars	3 months ended 31/12/2020	Preceding 3 months ended 30/09/2020	Corresponding 3 months ended in the previous year 31/12/2019	Year to date figures for current period ended 31/12/2020	Year to date figures for previous period ended 31/12/2019	Year to date figures for previous year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue From Operations	116253.33	75030.29	69250.86	224254.74	199840.64	271104.29
2. Other Income	2982.92	1231.66	728.90	4672.20	2840.24	3320.77
3. Total income (1 + 2)	119236.25	76261.95	69979.76	228926.94	202680.88	274425.06
4. EXPENSES						
(a) Cost of materials consumed	49668.38	31437.11	28272.45	91024.26	85313.36	111841.99
(b) Purchases of Stock-in-Trade	4180.89	3556.55	4553.71	8972.34	11095.13	15661.63
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(2267.04)	(118.40)	(2409.26)	3806.16	(9668.09)	(9795.08)
(d) Employee benefits expense	10839.33	6090.56	5838.16	21412.81	17019.79	22660.63
(e) Finance costs	5649.14	4275.16	5266.70	14559.76	17173.70	22758.44
(f) Depreciation and amortization expense	3108.62	1663.24	1418.05	6161.32	4188.76	5714.65
(g) Other expenses	36405.22	25901.36	22770.93	73140.31	67375.72	94133.40
Total expenses	107584.54	72805.58	65710.74	219076.96	192498.37	262975.66
5. Profit / (Loss) before exceptional items and tax (3 - 4)	11651.71	3456.37	4269.02	9849.98	10182.51	11449.40
6. Exceptional Item	-	(24423.40)	-	(24423.40)	-	-
7. Profit / (Loss) before tax (5 + 6)	11651.71	(20967.03)	4269.02	(14573.42)	10182.51	11449.40
8. Tax expense:						
Current tax	2689.97	277.27	1047.50	3052.73	1115.73	1716.28
Deferred tax	481.91	175.79	120.35	(1242.61)	2152.51	1159.62
Related to earlier year	-	-	-	-	(17.75)	(56.02)
9. Profit/(Loss) after tax (7-8)	8479.83	(21420.09)	3101.17	(16383.54)	6932.02	8629.52
10. Add:-Share of Profit/(Loss) in Associates and Joint Venture (Net)	-	867.33	2796.55	541.65	5422.16	7518.85
11. Profit/(Loss) for the period (9+10)	8479.83	(20552.76)	5897.72	(15841.89)	12354.18	16148.37
12. Profit/(Loss) for the period attributable to:						
- Owners of the Company	5717.51	(20784.24)	5884.72	(18843.92)	12330.20	16106.51
- Non-Controlling Interest	2762.32	231.48	13.00	3002.03	23.98	41.86
13. Other Comprehensive Income						
A (i) Items that will not be reclassified to profit and loss						
a) Remeasurements of the defined benefit plans	(3.82)	0.85	56.45	(2.12)	169.36	3.39
b) Equity instruments through other comprehensive income	(0.24)	15.01	18.05	41.19	(4.36)	(14.46)
c) Gain on consolidation transfer to capital reserve	-	12001.88	-	12001.88	-	-
(ii) Income tax relating to items that will not be reclassified to profit and loss	1.02	(3.65)	(23.94)	(8.89)	(58.17)	2.46
B (i) Items that will be reclassified to profit and loss						
- Foreign currency translation differences	261.31	5.67	485.14	406.59	538.72	1274.76
(ii) Income tax relating to item that will be reclassified to profit and loss	-	-	-	-	-	-
C Share of Other Comprehensive Income in Associates and Joint Ventures (Net of tax)	-	(1.44)	(2.35)	(2.88)	(5.57)	(5.76)
Other Comprehensive Income (net of tax)	258.27	12018.32	533.35	12435.77	639.98	1260.39
14. Other Comprehensive Income attributable to:						
- Owners of the Company	260.31	12018.32	533.35	12437.81	639.98	1260.39
- Non-Controlling Interest	(2.04)	-	-	(2.04)	-	-
15. Total Comprehensive Income for the period (11+13)	8738.10	(8534.44)	6431.07	(3406.12)	12994.16	17408.76
16. Total Comprehensive Income attributable to:						
- Owners of the Company	5977.82	(8765.92)	6418.07	(6406.11)	12970.18	17366.90
- Non-Controlling Interest	2760.28	231.48	13.00	2999.99	23.98	41.86
17. Paid-up equity share capital (Face value - Re. 1/-)	4329.55	4329.55	4329.55	4329.55	4329.55	4329.55
18. Other equity excluding revaluation reserve	-	-	-	-	-	283685.44
19. Earnings per equity share of per value of Re. 1 each.						
(1) Basic (Rs.)	1.32	(4.80)	1.37	(4.35)	2.98	3.85
(2) Diluted (Rs.)	1.32	(4.80)	1.37	(4.35)	2.98	3.85



Notes:

1. The above consolidated financial results which have been prepared in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), have been reviewed by the the Audit Committee and approved by the Board of Directors at their meetings held on February 12, 2021. The consolidated results for the quarter and nine month ended December 31, 2020 have been subjected to Limited Review by the Statutory Auditors of the group.
2. The group operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
3. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in 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. Pending decision of the Hon'ble High Court, Rs. 4015.06 lakhs so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress and advances.
4. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the parent Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the parent Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

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

Pending finalisation of the matter as above;

(i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the parent company has 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 parent Company barring initial contribution of Rs. 822.81 lakhs and its share of bank guarantee amounting to Rs. 2745.00 lakhs (encashment of which has been stayed by Hon'ble High Court at Jharkhand) has not made any further investments in the said joint venture company. In view of the management, the compensation to be received in terms of the "The Coal Mines (Special Provision) Ordinance 2014" is expected to cover the cost incurred by the Joint Venture Company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 822.81 lakhs in Joint venture was made in the previous year. In view of stay order by Hon'ble High Court, no provision in the share of the said bank guarantee has been considered necessary. In view of the provision made during the earlier years, the performance of the joint venture company has not been consolidated during the quarter and half year ended September 20.
6. Due to delisting of Electrosteel Steels Limited (ESL) and in absence of other available ways of valuation, the parent Company has continued to consider the exit price, which was open till December 20, 2019, as the basis of valuation of Investment in ESL. Further the notices issued by the consortium of lenders of ESL for invocation of pledge of group's investment of 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 1653.76 lakhs was set aside by the Hon'ble High Court at Calcutta. The plea of the parent company for release of the pledge is pending before the Hon'ble Court. Furthermore during the previous year the party, in whose favour rights of mortgage of certain Land & Building amounting to Rs. 29545.24 lakhs of the parent Company situated at Elavur, Tamilnadu, were assigned by a lender of the ESL, has taken the symbolic possession of said mortgaged property and the same was contested by the parent Company before Hon'ble Madras High Court. On disposal of parent Company's application by the Hon'ble High Court, the parent Company has preferred an appeal before Commercial Appellate, Hon'ble High Court at Madras and the matter is subjudice. Pending finalization of the matter, these assets have been carried forward at their carrying book value.



7. As reported earlier, the Railway Authorities had withdrawn the permission of operation of Railway siding under construction which is situated at Haldia, West Bengal. The parent company has claimed the compensation from the Railway Authorities for the amount incurred for the said siding which was denied and the matter is under arbitration based on the direction of Hon'ble High Court at Calcutta. Pending arbitration proceedings, the parent company has recognised a charge of Rs. 2318.35 lakhs during the previous year and a balance amounting to Rs. 1778.11 lakhs has been considered recoverable by the management of the parent company and shown as "Other Financial Assets" under the "Current Assets".
8. The parent company has investment of Rs. 730.00 lakhs (including advance of Rs. 700.00 lakhs) in Domco Private Limited (DPL), and has joint control (proportion of ownership interest of the parent Company being 50%). The other Venturers had filed a petition before the Company Law Board, Principal Bench, New Delhi (CLB) on various matters including for forfeiture of the parent Company's investment in equity shares of the DPL. The parent Company had also inter alia filed an arbitration proceeding under Arbitration & Conciliation Act, 1996 against recovery of the said amount against which the ventures also filed their counter claims on the parent Company. The matter is sub judice before the NCLT. Pending final outcome of the above matter, the amounts in equity shares and advance have been fully provided for in the financial statements. The other venturers since not providing the financial statements of DPL, and thereby necessary disclosures could not be provided in these financial results.
9. As a consequence of cyclone "Amphan", the Haldia unit of the group had suffered damages in certain items of its inventories and Fixed Assets during the quarter ended June 30, 2020. The parent company has lodged necessary claim with the Insurance Company for the losses incurred. The estimated loss in the inventory, after considering its realisable/realised value, and the estimated/actual cost of repairs for the reinstatement of the fixed assets has been expensed out. The claim lodged with the insurer amounting to Rs. 567.87 lakhs shall be accounted for on acceptance of the same on prudence.
10. The group's operations and financial results for the six month ended September 30, 2020 have been adversely impacted by the outbreak of COVID-19 pandemic and the consequent lockdown announced by the various governments where the subsidiaries are based including India due to which the operations were suspended for part of the quarter ended June 30, 2020 and gradually resumed with requisite precautions. The group has achieved its normal volume of its activities in the quarter ended December 31, 2020. In view of the impact of pandemic, the results for the nine month ended December 31, 2020 are, therefore, not comparable with those of comparative nine month ended December 31, 2019.
- 11.(a) The Board of Directors of the parent Company at its meeting held on October 5, 2020, has approved a scheme of amalgamation between the parent Company and Srikalahasthi Pipes Limited (SPL) wherein w.e.f the appointed date i.e. October 1, 2020, SPL will merge with the parent Company on a going concern basis subject to obtaining of necessary approvals. Pending such approvals, no adjustment has been carried out in the books of the accounts.
- 11.(b) As reported in the previous quarter, with effect from September 18, 2020 the results of SPL has been consolidated by combining the like items of assets, liabilities, equity, income, expenses and cash flows of SPL in line with the guidelines prescribed under Ind AS 110 "Consolidated Financial Statements" which was hitherto considered as an associate in the consolidated financial statement. In view of the above the consolidated results for the quarter and nine months ended December 31, 2020 are not comparable with the previous quarter/ nine months.
12. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata
February 12, 2021



For ELECTROSTEEL CASTINGS LIMITED

Umang Kejriwal
Managing Director
(DIN: 000065173)

