

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

We have audited the accompanying Standalone financial results of Electrosteel Castings Limited (hereinafter referred to as the "Company") for the year ended March 31, 2024 and the notes thereon (hereinafter referred to as the "Financial Results") attached herewith, being compiled by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). The financial results have been initialed by us for the purpose of identification.

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

- a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b) except for the possible effect of the matter described in the "Basis for Qualified Opinion" paragraph below, give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India of the net profit and other comprehensive income for the quarter and year ended March 31, 2024 and other financial information for the year ended on that date.

**Basis for Qualified Opinion**

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

- a) Note no. 3 regarding cancellation of coal block allotted to the company in earlier year and adjustments required to be carried out in respect of the claims made by the company, amount awarded so far in this respect and carrying amounts of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account due to the reasons stated therein; and
- b) Note No. 4 in respect of company's investment in the equity shares of ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Kolkata and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land has been taken over by the said party. The matter has been disputed by the company and as stated in the said note is currently pending before DRAT and Hon'ble Madras High Court.
- c) Pending finalization of the matters dealt with in (a) and (b) above, impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

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



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

These financial results have been prepared on the basis of the standalone annual financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit for the year ended March 31, 2024 and other comprehensive income and other financial information of the company in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Other Matters**

These standalone annual financial results include the results for the quarter ended March 31, 2024, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31, 2023. These figures were subject to limited review by us as required under the Listing Regulations.

Place: Kolkata  
Date: May 13, 2024



For Lodha & Co LLP,  
Chartered Accountants  
Firm's ICAI Registration No. 301051E/ E300284

*R.P. Singh*

R. P. Singh  
Partner  
Membership No: 52438  
UDIN: 24052438BKFNDY1367

**ELECTROSTEEL CASTINGS LIMITED**

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Website: www.electrosteel.com

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(Rs. in lakhs)

**STATEMENT OF AUDITED STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2024**

Particulars		3 months ended 31/03/2024	Preceding 3 months ended 31/12/2023	Corresponding 3 months ended in the previous year 31/03/2023	Year to date figures for current year ended 31/03/2024	Year to date figures for previous year ended 31/03/2023
		(Audited) (Refer Note No.8)	(Unaudited)	(Audited) (Refer Note No. 8)	(Audited)	(Audited)
1.	Revenue From Operations	177629.81	179657.03	176182.31	693801.41	691600.46
2.	Other Income	3534.57	1754.88	2370.44	10567.41	9652.16
3.	<b>Total income ( 1 + 2 )</b>	<b>181164.38</b>	<b>181411.91</b>	<b>178552.75</b>	<b>704368.82</b>	<b>701252.62</b>
4.	<b>EXPENSES</b>					
	(a) Cost of materials consumed	93649.25	76941.37	92291.02	350569.12	398806.73
	(b) Purchases of Stock-in-Trade	-	2.48	-	2.48	-
	(c) Changes in inventories of finished goods, Stock in-Trade and work-in-progress	(7407.36)	10571.10	8903.39	5327.02	(2415.43)
	(d) Employee benefits expense	9918.59	9748.30	8704.13	39272.04	35809.78
	(e) Finance costs	4610.14	4978.68	7229.49	20185.53	27224.33
	(f) Depreciation and amortization expense	2957.46	2779.59	2801.96	11432.34	11401.63
	(g) Other expenses	53151.14	42915.74	45344.90	184610.50	187147.43
	<b>Total expenses</b>	<b>156879.22</b>	<b>147937.26</b>	<b>165274.89</b>	<b>611399.03</b>	<b>657974.47</b>
5.	<b>Profit before tax ( 3 - 4 )</b>	<b>24285.16</b>	<b>33474.65</b>	<b>13277.86</b>	<b>92969.79</b>	<b>43278.15</b>
6.	Tax expense:					
	Current tax	6015.86	8452.20	3347.59	23505.00	10633.96
	Deferred tax	49.81	(171.82)	(200.24)	(493.70)	(832.16)
	Income tax pertaining to the earlier years	(3647.00)	-	-	(3647.00)	-
7.	<b>Profit for the period ( 5 - 6 )</b>	<b>21866.49</b>	<b>25194.27</b>	<b>10130.51</b>	<b>73605.49</b>	<b>33476.35</b>
8.	<b>Other Comprehensive Income</b>					
	A (i) Items that will not be reclassified to profit or loss					
	a) Remeasurements of the defined benefit plans	103.32	(1.13)	66.55	99.92	(4.13)
	b) Equity instruments through other comprehensive income	-	-	(2916.17)	(592.90)	(2912.23)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(26.00)	0.28	(16.70)	(26.73)	0.19
	B (i) Items that will be reclassified to profit or loss					
	a) Effective portion of Cash flow hedge reserve	-	-	-	-	-
	(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Other Comprehensive Income for the period (net of tax)</b>	<b>77.32</b>	<b>(0.85)</b>	<b>(2866.32)</b>	<b>(519.71)</b>	<b>(2916.17)</b>
9.	<b>Total Comprehensive Income for the period ( 7 + 8 )</b>	<b>21943.81</b>	<b>25193.42</b>	<b>7264.19</b>	<b>73085.78</b>	<b>30560.18</b>
10.	Paid-up equity share capital (Face value - Re. 1/-)	6181.84	5946.05	5946.05	6181.84	5946.05
11.	<b>Other equity excluding revaluation reserve</b>				<b>493007.68</b>	<b>421099.47</b>
12.	<b>Earnings per equity share of par value of Re. 1 each. (not annualised).</b>					
	(1) Basic (Rs.)	3.57	4.24	1.70	12.29	5.63
	(2) Diluted (Rs.)	3.55	4.22	1.70	12.24	5.63



(Annexure I)

(Rs.in lakhs)

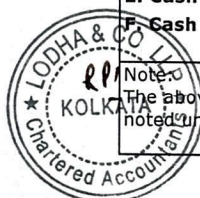
**STANDALONE STATEMENT OF ASSETS AND LIABILITIES**

Particulars		As at	As at
		March 31, 2024	March 31, 2023
		Audited	Audited
<b>A.</b>	<b>ASSETS</b>		
	<b>( 1 ) Non-current assets</b>		
	(a) Property, Plant and Equipment	277606.99	260514.88
	(b) Capital work-in-progress	122845.18	130237.00
	(c) Other Intangible assets	384.22	463.06
	(d) Right-of-use assets	3870.11	3485.27
	(e) Investments in subsidiaries and joint ventures	6368.05	6368.05
	(f) Financial Assets		
	(i) Investments	6001.00	6593.90
	(ii) Other financial assets	29386.76	5536.77
	(g) Other non-current tax assets (Net)	775.29	2023.18
	(h) Other non-current assets	1061.05	2756.25
	<b>Total Non-Current assets</b>	<b>448298.65</b>	<b>417978.36</b>
	<b>( 2 ) Current assets</b>		
	(a) Inventories	173811.16	169372.62
	(b) Financial Assets		
	(i) Investments	14440.35	9542.05
	(ii) Trade receivables	156244.37	130953.27
	(iii) Cash and cash equivalents	22158.46	20050.98
	(iv) Bank balances other than (iii) above	12128.25	18152.74
	(v) Loans	-	10935.00
	(vi) Other financial assets	19988.60	19743.21
	(c) Other current assets	11732.54	12477.35
	<b>Total Current assets</b>	<b>410503.73</b>	<b>391227.22</b>
	<b>Total Assets</b>	<b>858802.38</b>	<b>809205.58</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share capital	6181.84	5946.05
	(b) Other Equity	493007.68	421099.47
	<b>Total Equity</b>	<b>499189.52</b>	<b>427045.52</b>
	<b>Liabilities</b>		
	<b>( 1 ) Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	39888.52	70567.72
	(ii) Lease liabilities	2054.71	1486.79
	(iii) Other financial liabilities	25043.42	-
	(b) Provisions	4234.19	4004.46
	(c) Deferred tax liabilities (Net)	34333.42	34800.39
	(d) Other non-current liabilities	396.63	390.89
	(e) Non-current Tax Liabilities (Net)	1917.65	6210.24
	<b>Total Non-current liabilities</b>	<b>107868.54</b>	<b>117460.49</b>
	<b>( 2 ) Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	161145.59	173023.10
	(ii) Lease liabilities	363.64	510.65
	(iii) Trade payables		
	(a) Total Outstanding dues of micro and small enterprises: and	2005.82	1595.15
	(b) Total Outstanding dues other than micro and small enterprises	47095.61	49622.12
	(iv) Other financial liabilities	6956.39	10122.50
	(b) Other current liabilities	32101.65	28330.74
	(c) Provisions	1476.10	1495.31
	(d) Current Tax Liabilities (Net)	599.52	-
	<b>Total Current liabilities</b>	<b>251744.32</b>	<b>264699.57</b>
	<b>Total Equity and Liabilities</b>	<b>858802.38</b>	<b>809205.58</b>



<b>STANDALONE STATEMENT OF CASH FLOW</b>			
<b>Particulars</b>	<b>For the year ended March 31, 2024</b>		<b>For the year ended March 31, 2023</b>
<b><u>A. CASH FLOW FROM OPERATING ACTIVITIES</u></b>			
<b>Profit before tax</b>	<b>92969.79</b>		43278.15
<b>Adjustment to reconcile profit before tax to net cash generated from operating activities</b>			
<b>Add :</b> Depreciation and amortisation expenses	<b>11432.34</b>		11401.63
Sundry balances/Advances/ CWIP written off	<b>779.11</b>		2785.32
Credit loss allowance on trade receivables/advances/others	<b>-</b>		214.47
Loss on sale / discard of fixed assets (Net)	<b>2604.54</b>		830.73
Unrealised foreign exchange fluctuation and translation	<b>862.07</b>		(1690.89)
Finance costs	<b>20185.53</b>	<b>35863.59</b>	27224.33
		<b>128833.38</b>	40765.59
<b>Less:</b> Interest income	<b>5850.49</b>		4924.07
Dividend income from investments	<b>2028.12</b>		3202.29
Deferred Income	<b>25.64</b>		25.64
Provision for obsolescence of Stores and Spares	<b>-</b>		53.90
Net gain on derecognition of financial assets at amortised cost	<b>15.01</b>		25.94
Fair valuation of derivative instruments through Profit & Loss	<b>357.82</b>		(900.25)*
Profit on sale of Current Investments	<b>643.84</b>		394.46
Net gain/(Loss) on fair valuation of Current Investment	<b>730.37</b>		(85.56)
Provisions / Liabilities no longer required written back	<b>905.11</b>	<b>10556.40</b>	766.20
<b>Operating Profit before Working Capital changes</b>	<b>118276.98</b>		75637.05
Movements in working capital			
<b>Less:</b> Increase/(Decrease) in Inventories	<b>4375.30</b>		(14811.80)
Increase/(Decrease) in Trade Receivables	<b>26239.82</b>		25071.15
Increase/(Decrease) in Loans and Advances, other financial and non-financial assets	<b>(646.34)</b>		(2726.20)
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	<b>(1607.95)</b>	<b>28360.83</b>	16780.98
			24314.13
<b>Cash generated From Operations</b>	<b>89916.15</b>		51322.92
<b>Less:</b> Direct Taxes paid (Net)	<b>21853.56</b>		11558.02
<b>Net cash flow from Operating Activities (A)</b>	<b>68062.59</b>		39764.90
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>			
Payment against Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	<b>(23728.95)</b>		(18092.45)
Realisation against Property, Plant and Equipment, Intangible Assets	<b>389.20</b>		371.18
Purchase of Current Investment	<b>(434030.97)</b>		(358871.17)
Sale of Current Investment	<b>430506.88</b>		385810.90
Inter Corporate Loan given	<b>-</b>		(17500.00)
Inter Corporate Loan repaid	<b>10935.00</b>		11873.00
Interest received	<b>4231.61</b>		4394.63
Dividend received	<b>2028.12</b>		3202.29
Increase in non current financial liabilities	<b>25043.42</b>		-
Investment in fixed deposits against non current financial liabilities	<b>(25286.00)</b>		-
Movement in bank balances other than cash and cash equivalents	<b>8976.36</b>	<b>(935.33)</b>	9504.29
			20692.67
<b>Net Cash flow from Investing Activities (B)</b>	<b>(935.33)</b>		20692.67
<b><u>C. CASH FLOW FROM FINANCING ACTIVITIES</u></b>			
Proceeds from share warrants	<b>7500.59</b>		2499.41
Proceeds/(Repayments) from short term borrowings (net)	<b>(7486.66)</b>		(10355.13)
Repayment of long term borrowings	<b>(68750.58)</b>		(31984.31)
Proceeds from long term borrowings	<b>32175.54</b>		13770.81
Interest and other borrowing cost paid	<b>(19440.84)</b>		(24227.87)
Payment against Lease Liabilities	<b>(575.46)</b>		(567.00)
Dividend paid	<b>(8442.37)</b>	<b>(65019.78)</b>	(4756.84)
			(55620.93)
<b>Net cash flow from Financing Activities (C)</b>	<b>(65019.78)</b>		(55620.93)
<b>D. Net increase/(decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>2107.48</b>		4836.64
<b>E. Cash and Cash equivalents at the beginning of the year</b>	<b>20050.98</b>		15214.34
<b>F. Cash and Cash equivalents as at the end of the year</b>	<b>22158.46</b>		20050.98

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7 'Statement of Cash Flows' as noted under Companies Act, 2013.



**Notes:**

1. The above Audited Standalone Financial Results for the quarter and year ended March 31, 2024 (hereinafter referred to as "Financial Results") includes Statement of Assets and Liabilities as on March 31, 2024 ("Annexure I") and Statement of Cash Flow for the year ended March 31, 2024 ("Annexure II"), attached herewith have been compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). These financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 13, 2024 and have been subjected to Audit by the Statutory Auditors.
2. The Company operates mainly in one business segment viz. Pipes and fittings and all other activities revolve around the main business.
3. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India ('the Order') followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice ('legislative department') dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Limited ('CIL') with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited (SAIL) and pending final determination, compensation of Rs. 8312.14 lakhs was received. The company also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly, based on the said judgement, the Company has so far claimed Rs.154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. The Nominated Authority appointed for deciding the amount of compensation had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the same. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of the Nominated Authority dated November 11, 2019. The company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same being under consideration, a final compensation is yet to be decided. The company had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets.

In the meantime, JSW Steel Limited ('JSW') has been declared as successful bidder for Parbatpur Coal Block in "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and vesting order dated June 08, 2023 has been issued by the Ministry of Coal in favour of JSW. JSW as being claimed by them has taken the physical possession of said coal block and has therefore requested to initiate negotiations for utilization of movable property/ assets used in coal mining. The Company has approached Hon'ble Delhi High Court in this respect and the matter is pending as on this date. The company's management is actively pursuing to revise and determine the amount of entire compensation for the coal block including mine infrastructure and land and all other related assets in terms of Coal Mines (Special Provisions) Act, 2015 read with judgement dated March 09, 2017 pronounced by the Hon'ble High Court of Delhi and is taking all the necessary legal and other steps for the same.

Pending finalisation of the matter as above;

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

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

(iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2090.04 lakhs have been adjusted. Bank guarantee amounting to Rs. 920.00 lakhs has been given against the compensation received.

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



4. The Company holds 19796000 equity shares of Rs. 10/- each of ESL Steel Limited ('ESL') out of which 17334999 equity shares of Rs. 10/- each amounting to Rs. 5219.57 lakhs have been pledged with the consortium of lenders of ESL ('lenders'). The notices issued by the lenders for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the company's plea for release of such pledge is pending before the said Hon'ble High Court.

Further in the earlier years, certain land amounting to Rs. 29493.58 lakhs of the company, situated at Elavur, Tamil Naidu, were mortgaged to another lender (SREI Infrastructure Finance Limited) ('SREI') of ESL and SREI had subsequently assigned its right in the said property to an Asset Reconstruction Company ('ARC') although the claims of the said lender were fully discharged by ESL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal ('NCLT'), Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land. The Company had disputed the alleged assignment of the loan by the lender and as directed by the Hon'ble Supreme Court had filed an application before the Debt Recovery Tribunal ('DRT'), Chennai for setting aside the SARAFESI actions and release of the title deeds of the land which vide order dated April 08, 2022 (uploaded on April 27, 2022) had been dismissed by DRT. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the Company to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs against which revision application under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution has been filed. The matter is now pending before Hon'ble Madras High Court.

Earlier, the ARC had also filed an application before the Hon'ble NCLT, Cuttack for initiation of Corporate Insolvency and Resolution Process (CIRP) against the Company which had been decided in the favour of the Company vide NCLT order dated June 24, 2022 ('the Order'). The said order on being challenged by ARC has been upheld by NCLAT vide its order dated January 24, 2024 and thereby the order dismissing the application of ARC by NCLT as above stands valid and effective. The judgement of NCLAT is now being challenged before Hon'ble Supreme Court of India which is yet to be taken up by the said court.

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

5. The company as approved by the Shareholders vide their postal ballot resolution dated December 23, 2022, has allotted 23579344 warrants convertible into or exchangeable for 1 (one) fully paid-up equity share of the company having face value of Re. 1 each at the issue price of Rs. 42.41 each payable in cash ('warrant issue price') on preferential basis to Promoter/ Promoter group on December 27, 2022.

On receipt of the entire consideration in this respect and on exercise of the conversion entitlement pursuant to the warrants as stated above, 23579344 Equity Shares of Re. 1 each have been allotted on January 24, 2024 to the holders (Promoters/ Promoter Groups) thereof as on that date.

6. Subsequent to the balance sheet date, the Board of Directors has recommended a final dividend of Re. 0.90 per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2024. This equity dividend is subject to approval by the shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The estimated amount of final dividend to be paid thereof amounts to Rs.5563.66 lakhs. This is over and above the Interim Dividend of Re. 0.50 (50%) per Equity Share of face value of Re. 1 each for the financial year 2023-24 declared by the Board of Directors in their meeting held on February 08, 2024 resulting in the outflow of Rs. 3090.93 lakhs in this respect.

7. (a) The company has undertaken major renovation and repair work at company's factory situated at Khardah and thereby the said factory was under shut down for the period from November 24, 2023 till January 15, 2024 involving substantial cost and loss of production etc., impact whereof have been given effect to in the financial results for the period. Accordingly, figures for the current period are not comparable with the figures of previous periods.

(b) The company has undertaken the projects for expanding the capacity of DI Pipes at Srikalahasthi Unit of the company and thereby the total production capacity of DI Pipes is expected to increase in the forthcoming year to 550000 TPA from current installed capacity of 400000 TPA of the said unit. The said capacity of 550000 TPA has been proposed to be further increased by 100000 TPA being under active consideration as on this date.

8. The figures for the quarters ended March 31, 2024 and March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year and the year to date figure upto the quarter ended December 31 of the respective years which were subject to limited review by the Statutory Auditors.

9. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata  
May 13, 2024



For ELECTROSTEEL CASTINGS LIMITED



  
Umang Kejriwal  
Managing Director  
(DIN: 000065173)



**ANNEXURE I**

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

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(Rs in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	704368.82	Not Ascertainable
	2.	Total Expenditure	611399.03	
	3.	Net Profit/(Loss) (including other comprehensive income)	73085.78	
	4.	Earnings Per Share (Basic)	12.29	
	5.	Total Assets	858802.38	
	6.	Total Liabilities	858802.38	
	7.	Net Worth (Equity Share Capital plus Other Equity)	499189.52	
	8.	Any other financial item(s) (as felt appropriate by the management)	--	

II.

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

**a. Details of Audit Qualification:**

Attention has been drawn by the Auditors' under the heading "Basis of Qualified Opinion" of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31<sup>st</sup> March 2024 -

Sub Para (a): Note no. 3 regarding cancellation of coal block allotted to the company in earlier year and adjustments required to be carried out in respect of the claims made by the company, amount awarded so far in this respect and carrying amounts of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account due to the reasons stated therein.

Sub Para (b): Note No. 4 in respect of company's investment in the equity shares of ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Kolkata and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land has been taken over by the said party. The matter has been disputed by the company and as stated in the said note is currently pending before DRAT and Hon'ble Madras High Court.

Sub Para (c): Pending finalization of the matters dealt with in Sub Para (a) and Sub Para (b) above, impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

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



- c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 3 since financial year 2014-15 and Note no. 4 since financial year 2017-18.
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**  
N.A
- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
- (i) **Management's estimation on the impact of audit qualification:** N.A
- (ii) **If management is unable to estimate the impact, reasons for the same:**

Sub Para (a) In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India ('the Order') followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice ('legislative department') dated October 21, 2014 ('Ordinance') for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited ('BCCL') as per the direction from Coal India Limited ('CIL') with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited ('SAIL') and pending final determination, compensation of Rs. 8312.14 lakhs was received. The company also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCCL.

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly, based on the said judgement, the Company has so far claimed Rs.154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. The Nominated Authority appointed for deciding the amount of compensation had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the same. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of the Nominated Authority dated November 11, 2019. The company came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same being under consideration, a final compensation is yet to be decided. The company had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets.

In the meantime, JSW Steel Limited ('JSW') has been declared as successful bidder for Parbatpur Coal Block in "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and vesting order dated June 08, 2023 has been issued by the Ministry of Coal in favour of JSW. JSW as being claimed by them has taken the physical possession of said coal block and has therefore requested to initiate negotiations for utilization of movable property/ assets used in coal mining. The Company has approached Hon'ble Delhi High Court in this respect and the matter is pending as on this date. The company's management is actively pursuing to revise and determine the amount of entire compensation for the coal block including mine infrastructure and land and all other related assets in terms of Coal Mines (Special Provisions) Act, 2015 read with judgement dated March 09, 2017 pronounced by the Hon'ble High Court of Delhi and is taking all the necessary legal and other steps for the same.

Pending finalisation of the matter as above;



- (i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;
- (ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and
- (iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations / claims against sale of assets, advances, input credits etc. amounting to Rs. 2090.04 lakhs have been adjusted. Bank guarantee amounting to Rs. 920.00 lakhs has been given against the compensation received.

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

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

The Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. During the year, the company has fair valued the equity share of ESL and a loss of Rs. 599.81 lakhs has been accounted for under other comprehensive income.

Investment in ESL include 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 5219.57 lakhs as on March 31, 2024 which were pledged with the consortium of lenders of ESL (lenders) and the said pledge was not released by the lenders even after the settlement of their debt as per the approved resolution plan as above. The notices issued by the lenders for invocation of pledge of company's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the company's plea for release of such pledge is pending before the said Hon'ble High Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs of the company, situated at Elavur, Tamil Naidu, were mortgaged to another lender (SREI Infrastructure Finance Limited) ('SREI') of ESL and SREI had subsequently assigned it's right in the said property to an Asset Reconstruction Company ('ARC') although the claims of the said lender were fully discharged by ESL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal ('NCLT'), Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land. The Company had disputed the alleged assignment of the loan by the lender and as directed by the Hon'ble Supreme Court had filed an application before the Debt Recovery Tribunal ('DRT'), Chennai for setting aside the SARAFESI actions and release of the title deeds of the land which vide order dated April 08, 2022 (uploaded on April 27, 2022) had been dismissed by DRT. On filing the appeal before the Debt Recovery Appellate Tribunal ('DRAT') against the order of DRT, DRAT has directed the Company to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs against which revision application under Article 227 of the Indian Constitution and a Writ



Application under Article 226 of Indian Constitution has been filed. The matter is now pending before Hon'ble Madras High Court.

Earlier, the ARC had also filed an application before the Hon'ble NCLT, Cuttack for initiation of Corporate Insolvency and Resolution Process ('CIRP') against the Company which had been decided in the favour of the Company vide NCLT order dated June 24, 2022 ('the Order'). The said order on being challenged by ARC has been upheld by NCLAT vide its order dated January 24, 2024 and thereby the order dismissing the application of ARC by NCLT as above stands valid and effective. The judgement of NCLAT is now being challenged before Hon'ble Supreme Court of India which is yet to be taken up by the said court.


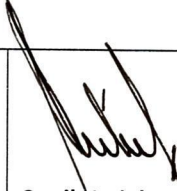

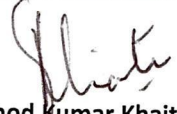

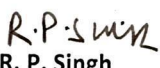
Pending finalization of the matter, these assets have been carried forward at their book value.

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

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

III.

**Signatories:**

<b>CEO/Managing Director</b> 	 <b>Sunil Katial</b> (Wholesale Director and Group Chief Executive Officer)
<b>CFO</b>	 <b>Ashutosh Agarwal</b> (Wholesale Director and Chief Financial Officer)
<b>Audit Committee Chairman</b>	 <b>Binod Kumar Khaitan</b> (Audit Committee Chairman)
<b>Statutory Auditor</b> 	<b>For Lodha &amp; Co LLP</b> Chartered Accountants Firm's Registration No: 301051E / E300284  <b>R. P. Singh</b> (Partner) Membership No: 052438

Place: Kolkata

Date: May 13, 2024

**INDEPENDENT AUDITORS' REPORT**

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

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

**Qualified Opinion**

We have audited the accompanying consolidated financial results of Electrosteel Castings Limited (hereinafter referred to as the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the year ended March 31, 2024 and the notes thereon (hereinafter referred to as the "Consolidated Financial Results") attached herewith, being compiled by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). The consolidated financial results have been initialed by us for the purpose of identification.

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

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

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

b) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c) except for the possible effect of the matter described in the "Basis for Qualified Opinion" paragraph below, give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India of the net profit and other comprehensive income for the quarter and year ended March 31, 2024 and other financial information for the year ended on that date.



**Basis for Qualified Opinion**

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

- a) Note no. 3 regarding cancellation of coal block allotted to the parent in earlier year and adjustments required to be carried out in respect of the claims made by the parent, amount awarded so far in this respect and carrying amounts of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account due to the reasons stated therein; and
- b) Note no. 4 in respect of parent's investment in the equity shares of ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Kolkata and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land has been taken over by the said party. The matter has been disputed by the parent and as stated in the said note is currently pending before DRAT and Hon'ble Madras High Court.
- c) Pending finalization of the matters dealt with in (a) and (b) above, impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

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

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

The Parent Company's management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial results that give a true and fair view of the net profit for the year ended March 31, 2024 and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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



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

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

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

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

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

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



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

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

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

**Other Matters**

- a) We did not audit the consolidated financial statements of the following subsidiary companies, whose financial statements reflect total assets as at March 31, 2024, total revenue and net cash flow/(outflow) for the year ended as on that date, considered as under in the consolidated financial results based on financial statements audited and reported upon by another auditors:

Name of the Subsidiary	Total Assets as at March 31, 2024	(Rs. In Lakhs) For the year ended March 31, 2024			
		Total Income	Net Profit/ (Loss) after tax	Total Comprehensive Income	Net Cash Inflow/ (Outflow)
Electrosteel Trading S.A, Spain	7,97.42	39,99.12	5.26	6.88	86.57
Electrosteel Casting Gulf FZE	14,17.60	25,73.29	18.87	36.45	(44.90)
Electrosteel Doha for Trading LLC	39,87.88	54,23.17	7,87.14	8,05.78	(2,66.64)
Electrosteel Bahrain Holding Company S.P.C (including Stepdown subsidiary Electrosteel Bahrain Holding Company S.P.C)	1,02,33.92	1,47,11.08	6,55.48	7,14.91	94.14
Electrosteel Europe S.A.	7,12,71.03	9,85,57.99	16,68.30	18,57.95	31,60.39
Electrosteel Algeria SPA	3,06.83	3,58.82	2,47.63	2,45.52	0.87
Electrosteel Castings (UK) Limited	2,36,04.06	3,33,19.24	20,99.54	22,34.18	(1,52.24)
Electrosteel USA LLC (including Stepdown subsidiary WaterFab LLC)	2,06,18.71	1,54,91.32	(1,82.59)	(1,06.82)	(127.02)
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	0.00	-	-	(0.93)	-
<b>Total</b>	<b>13,22,37.45</b>	<b>17,44,34.03</b>	<b>52,99.63</b>	<b>57,93.92</b>	<b>27,51.17</b>

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





The above-mentioned subsidiaries are located outside India whose annual financial results have been prepared in accordance with the accounting principles generally accepted in their respective countries and have been audited by their auditors under generally accepted standards and practices applicable in the respective countries. The financial results of Electrosteel Brasil Ltda. Tubos e Conexoes Duteis which are not required to be audited as per the relevant laws of the host country and which as such are not material to the overall operations of the Group have been as audited by an Independent Chartered Accountant. The financial results of aforesaid subsidiaries have been converted to Indian rupees (INR) and compiled as per the accounting principles generally accepted in India and have carried out the adjustments ('the subsidiary statements') required for the purpose of incorporating these in the consolidated financial results of the Group. These subsidiary statements as converted and compiled by the Parent's management, while placing reliance on the same have been reviewed by us.

- b) Our Opinion on the Consolidated Financial Results is not modified in respect of the matters stated above with respect to reliance on the work done by and the reports of other auditors and the financial statements certified by the management.
- c) In view of the Investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the Parent being fully provided in the earlier year, the results of North Dhadhu Mining Company Private Limited have not been incorporated in these consolidated financial results.
- d) These consolidated financial results include the results for the quarter ended March 31, 2024, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31, 2023. These figures were subject to limited review by us as required under the Listing Regulations.

Place: Kolkata  
Date: May 13, 2024



For Lodha & Co LLP,  
Chartered Accountants  
Firm's ICAI Registration No. 301051E/E300284

*R.P. Singh*  
R. P. Singh  
Partner  
Membership No: 52438  
UDIN: 24052438BKFNEA7559



**ELECTROSTEEL CASTINGS LIMITED**  
**CIN: L27310OR1955PLC000310**

Registered Office : Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017  
Tel. No.:+91 06624 220 332; Fax:+91 06624 220 332  
Corporate Office: 19, Camac Street, Kolkata 700 017  
Website: www.electrosteel.com  
E-mail: companysecretary@electrosteel.com

(Rs. in lakhs)

**STATEMENT OF AUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2024**

Particulars	3 months ended 31/03/2024	Preceding 3 months ended 31/12/2023	Corresponding 3 months ended 31/03/2023	Year to date figures for current year ended 31/03/2024	Year to date figures for previous year ended 31/03/2023
	(Audited) (Refer Note No.9)	(Unaudited)	(Audited) (Refer Note No.9)	(Audited)	(Audited)
1. Revenue From Operations	200425.52	186938.01	187237.36	747801.13	727550.76
2. Other Income	3429.81	2277.57	3628.85	10224.09	8492.00
3. <b>Total income ( 1 + 2 )</b>	<b>203855.33</b>	<b>189215.58</b>	<b>190866.21</b>	<b>758025.22</b>	<b>736042.76</b>
4. <b>EXPENSES</b>					
(a) Cost of materials consumed	93649.25	76941.37	92291.02	350569.12	398806.73
(b) Purchases of Stock-in-Trade	3550.26	3949.51	3590.88	14305.38	15792.00
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	1775.39	4691.29	7948.84	10866.89	(15721.31)
(d) Employee benefits expense	11652.30	12103.98	10477.05	47732.95	43040.99
(e) Finance costs	5150.97	5312.05	7724.02	21882.91	28588.92
(f) Depreciation and amortization expense	3424.78	2959.81	3067.51	12452.16	12119.76
(g) Other expenses	58670.65	48608.95	53659.06	206485.46	211875.41
<b>Total expenses</b>	<b>177873.60</b>	<b>154566.96</b>	<b>178758.38</b>	<b>664294.87</b>	<b>694502.50</b>
5. <b>Profit before tax ( 3-4 )</b>	<b>25981.73</b>	<b>34648.62</b>	<b>12107.83</b>	<b>93730.35</b>	<b>41540.26</b>
6. Tax expense:					
Current tax	6608.58	8459.73	4083.29	24860.87	12505.57
Deferred tax	305.47	(154.18)	(924.90)	(1498.80)	(2588.64)
Income tax pertaining to earlier years	(3647.00)	-	-	(3647.00)	-
7. <b>Profit for the period (5-6)</b>	<b>22714.68</b>	<b>26343.07</b>	<b>8949.44</b>	<b>74015.28</b>	<b>31623.33</b>
8. <b>Profit for the period attributable to:</b>					
- Owners of the Parent	22708.04	26337.17	8943.07	73989.11	31580.22
- Non-Controlling Interest	6.64	5.90	6.37	26.17	43.11
9. <b>Other Comprehensive Income</b>					
A (i) Items that will not be reclassified to profit or loss					
a) Remeasurements of the defined benefit plans	103.32	(1.13)	66.55	99.92	(4.13)
b) Equity instruments through other comprehensive income	0.05	0.15	(2916.24)	(592.65)	(2912.30)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(26.00)	0.28	(16.70)	(26.73)	0.19
B (i) Items that will be reclassified to profit or loss					
- Foreign currency translation differences	(255.43)	746.32	18.27	494.01	1549.19
(ii) Income tax relating to item that will be reclassified to profit or loss	-	-	-	-	-
<b>Other Comprehensive Income (net of tax)</b>	<b>(178.06)</b>	<b>745.62</b>	<b>(2848.12)</b>	<b>(25.45)</b>	<b>(1367.05)</b>
10. <b>Other Comprehensive Income attributable to:</b>					
- Owners of the Parent	(178.06)	745.62	(2848.12)	(25.45)	(1367.05)
- Non-Controlling Interest	-	-	-	-	-
11. <b>Total Comprehensive Income for the period (7+9)</b>	<b>22536.62</b>	<b>27088.69</b>	<b>6101.32</b>	<b>73989.83</b>	<b>30256.28</b>
12. <b>Total Comprehensive Income attributable to:</b>					
- Owners of the Parent	22529.98	27082.79	6094.95	73963.66	30213.17
- Non-Controlling Interest	6.64	5.90	6.37	26.17	43.11
13. Paid-up equity share capital (Face value - Re. 1/-)	6181.84	5946.05	5946.05	6181.84	5946.05
14. <b>Other equity excluding revaluation reserve</b>				<b>505103.64</b>	<b>432317.55</b>
15. <b>Earnings per equity share of per value of Re. 1 each (not annualised).</b>					
(1) Basic (Rs.)	3.71	4.42	1.50	12.35	5.31
(2) Diluted (Rs.)	3.69	4.40	1.50	12.30	5.31



## Annexure I

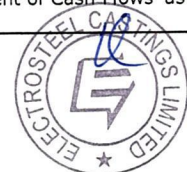
<b>CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES</b>		(Rs. in lakhs)	
Particulars	As at March 31, 2024	As at March 31, 2023	
	(Audited)	(Audited)	
<b>A. ASSETS</b>			
<b>( 1 ) Non-current assets</b>			
(a) Property, Plant and Equipment	284181.49	266848.62	
(b) Capital work-in-progress	122855.72	130245.03	
(c) Goodwill on consolidation	216.03	216.03	
(d) Other Intangible assets	474.09	566.75	
(e) Right-of-use assets	7954.22	5452.68	
(f) Investments in joint ventures	-	-	
(g) Financial Assets			
(i) Investments	6001.92	6594.57	
(ii) Loans	23.70	23.34	
(iii) Other financial assets	29450.89	5536.77	
(h) Non Current Tax Assets (Net)	1015.63	2240.51	
(i) Other non-current assets	1061.05	2756.25	
<b>Total Non-Current assets</b>	<b>453234.74</b>	<b>420480.55</b>	
<b>( 2 ) Current assets</b>			
(a) Inventories	227349.16	226920.82	
(b) Financial Assets			
(i) Investments	14440.35	9542.04	
(ii) Trade receivables	136516.50	105643.35	
(iii) Cash and cash equivalents	27908.09	23049.45	
(iv) Bank balances other than (iii) above	12128.25	18152.74	
(v) Loans	-	10935.00	
(vi) Other financial assets	20849.98	21568.91	
(c) Other current assets	18398.69	15568.02	
<b>Total Current assets</b>	<b>457591.02</b>	<b>431380.33</b>	
<b>Total Assets</b>	<b>910825.76</b>	<b>851860.88</b>	
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	6181.84	5946.05	
(b) Other Equity	505103.64	432317.55	
(c) Non-Controlling Interest	152.67	109.52	
<b>Total Equity</b>	<b>511438.15</b>	<b>438373.12</b>	
<b>LIABILITIES</b>			
<b>( 1 ) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	41780.61	73656.96	
(ii) Lease liabilities	5558.73	3025.96	
(iii) Other financial liabilities	25043.42	-	
(b) Provisions	4289.69	4035.14	
(c) Deferred tax liabilities (Net)	30482.46	31954.53	
(d) Other non-current liabilities	396.63	416.89	
(e) Non-current Tax Liabilities (Net)	1917.65	6210.24	
<b>Total Non-current liabilities</b>	<b>109469.19</b>	<b>119299.72</b>	
<b>( 2 ) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	184865.00	189156.87	
(ii) Lease liabilities	1009.81	899.58	
(iii) Trade payables			
(a) Total Outstanding dues of micro and small enterprises: and	2005.82	1595.15	
(b) Total Outstanding other than micro and small enterprises	52754.13	57106.79	
(iv) Other financial liabilities	7693.00	10681.16	
(b) Other current liabilities	36463.08	30098.75	
(c) Provisions	3443.85	3511.30	
(d) Current Tax Liabilities (Net)	1683.73	1138.44	
<b>Total Current liabilities</b>	<b>289918.42</b>	<b>294188.04</b>	
<b>Total Equity and Liabilities</b>	<b>910825.76</b>	<b>851860.88</b>	



<b>CONSOLIDATED STATEMENT OF CASH FLOW</b>		(Rs. in lakhs)	
Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	
<b><u>A. CASH FLOW FROM OPERATING ACTIVITIES</u></b>			
<b>Profit before Tax</b>	<b>93730.35</b>	41540.26	
<b>Adjustment to reconcile profit before tax to net cash generated from operating activities</b>			
<b>Add :</b> Depreciation and amortisation expenses	<b>12452.16</b>	12119.76	
Sundry balances/Advances/CWIP written off	<b>779.11</b>	2874.60	
Bad Debts	<b>127.78</b>	-	
Credit loss allowances on trade receivables/advances/others	-	424.20	
Provision for obsolescence of Inventories	-	2428.99	
Provision for inflationary and other risks	<b>67.84</b>	1837.90	
Loss on sale / discard of Fixed Assets (Net)	<b>2604.54</b>	830.73	
Unrealised Foreign Exchange Fluctuation and translation	<b>862.07</b>	(1,690.89)	
Finance costs	<b>21882.91</b>	<b>38776.41</b>	28588.92
	<b>132506.76</b>	47414.21	
<b>Less:</b> Interest Income	<b>5850.49</b>	4924.07	
Net gain /(loss) on Fair valuation of Current Investments	<b>730.37</b>	(85.56)	
Dividend Income from Investments	<b>1.06</b>	0.50	
Deferred Income	<b>25.64</b>	25.64	
Net gain on derecognition of financial assets at amortised cost	<b>15.01</b>	25.94	
Fair Valuation of derivative instruments through Profit and Loss	<b>357.82</b>	(900.25)	
Profit on sale of Current Investment	<b>643.84</b>	394.46	
Provisions / Liabilities no longer required written back	<b>2021.38</b>	<b>9645.61</b>	788.57
		5173.37	
<b>Operating Profit before Working Capital changes</b>	<b>122861.15</b>	83781.10	
Movements in working capital			
<b>Less:</b> Increase/(Decrease) in Inventories	<b>432.93</b>	4803.88	
Increase/(Decrease) in Trade Receivables	<b>20555.34</b>	9973.33	
Increase/(Decrease) in Loans and Advances, other financial and non-financial assets	<b>2005.39</b>	(1771.51)	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	<b>(3973.46)</b>	<b>19020.20</b>	12730.13
		25735.83	
<b>Cash generated From Operations</b>	<b>103840.95</b>	58045.27	
<b>Less:</b> Direct Taxes paid (Net)	<b>23286.67</b>	12825.63	
<b>Net cash flow from Operating activities (A)</b>	<b>80554.28</b>	45219.64	
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>			
Payment against Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	<b>(24439.08)</b>	(18753.62)	
Realisation against Property, Plant and Equipment, Intangible Assets	<b>410.03</b>	371.18	
Purchase of Current Investment	<b>(434030.97)</b>	(358871.17)	
Sale of Current Investment	<b>430506.88</b>	385810.90	
Inter Corporate Loan given	-	(17500.00)	
Inter Corporate Loan repaid	<b>10935.00</b>	11873.00	
Interest received	<b>4231.61</b>	4394.63	
Dividend received	<b>1.06</b>	0.50	
Increase in non current financial liabilities	<b>25043.42</b>	-	
Investment in fixed deposits against non current financial liabilities	<b>(25286.00)</b>	-	
Movement in bank balances other than cash and cash equivalents	<b>8976.36</b>	<b>(3651.69)</b>	9504.29
		16829.71	
<b>Net Cash flow from Investing activities (B)</b>	<b>(3651.69)</b>	16829.71	
<b><u>C. CASH FLOW FROM FINANCING ACTIVITIES</u></b>			
Proceeds from share warrants	<b>7500.59</b>	2499.41	
Payment to Non- Controlling Interest	-	(85.53)	
Proceeds/(Repayments) from short term borrowings (net)	<b>(11221.26)</b>	(12534.31)	
Repayment of Long Term borrowings	<b>(70021.80)</b>	(33051.43)	
Proceeds from Long Term borrowings	<b>32175.54</b>	13770.81	
Interest and other borrowing cost paid	<b>(20991.74)</b>	(25549.96)	
Payment against Lease Liabilities	<b>(1042.91)</b>	(665.26)	
Dividend paid	<b>(8442.37)</b>	<b>(72043.95)</b>	(4756.84)
		(60373.11)	
<b>Net cash flow from Financing activities (C)</b>	<b>(72043.95)</b>	(60373.11)	
<b>D. Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>4858.64</b>	1676.24	
<b>E. Cash and Cash equivalents at the beginning of the year</b>	<b>23049.45</b>	21373.21	
<b>F. Cash and Cash equivalents at the end of the year</b>	<b>27908.09</b>	23049.45	

Note :

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows' as noted under Companies Act, 2013.



**Notes:**

1. (a) The above Audited Consolidated Financial Results for the quarter and year ended March 31, 2024 (hereinafter referred to as "Consolidated Financial Results") includes Statement of Asset and Liabilities as on March 31, 2024 ("Annexure I") and Statement of Cash Flow for the year ended March 31, 2024 ("Annexure II") attached herewith have been compiled keeping in view the provision of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). These consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 13, 2024 and have been subjected to Audit by the Statutory Auditors of the group.

(b) The consolidated financial results for the quarter and year ended March 31, 2024 include the figures of the Electrosteel Castings Limited ('the parent') together with its subsidiaries namely Electrosteel Trading S.A. Spain, Electrosteel Castings Gulf FZE, Electrosteel Doha for Trading LLC, Electrosteel Brasil Ltd. Tubes e Conexoes Duties, Electrosteel Bahrain Holding Company S.P.C, Electrosteel Europe S.A, Electrosteel Castings (UK) Limited, Electrosteel USA, LLC, WaterFab LLC (wholly owned subsidiary Electrosteel USA, LLC), Electrosteel Bahrain Trading WLL (subsidiary of Electrosteel Bahrain Holding Company S.P.C) and Electrosteel Algeria SPA.

2. The group operates mainly in one business segment viz. Pipes and fittings and all other activities revolve around the main business.

3. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India ('the Order') followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice ('legislative department') dated October 21, 2014 ('Ordinance') for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Parent which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the parent was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Limited (CIL) with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited (SAIL) and pending final determination compensation of Rs. 8312.14 lakhs was received. The parent also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCCL.

Following a petition filed by the parent, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly, based on the said judgement, the parent has so far claimed Rs. 154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. The Nominated Authority appointed for deciding the amount of compensation had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the same. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of the Nominated Authority dated November 11, 2019. The parent came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same being under consideration, a final compensation is yet to be decided. The parent had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets.

In the meantime, JSW Steel Limited ('JSW') has been declared as successful bidder for Parbatpur Coal Block in "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and vesting order dated June 08, 2023 has been issued by the Ministry of Coal in favour of JSW. JSW as being claimed by them has taken the physical possession of said coal block and has therefore requested to initiate negotiations for utilization of movable property/ assets used in coal mining. The parent has approached Hon'ble Delhi High Court in this respect and the matter is pending as on this date. The parent's management is actively pursuing to revise and determine the amount of entire compensation for the coal block including mine infrastructure and land and all other related assets in terms of Coal Mines (Special Provisions) Act, 2015 read with judgement dated March 09, 2017 pronounced by the Hon'ble High Court of Delhi and is taking all the necessary legal and other steps for the same.

Pending finalisation of the matter as above;

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

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

(iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2090.04 lakhs have been adjusted. Bank guarantee amounting to Rs. 920.00 has been given against the compensation received.

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



4. The Parent holds 19796000 equity shares of Rs. 10/- each in ESL Steel Limited ('ESL') out of which 17334999 equity shares of Rs. 10/- each amounting to Rs. 5219.57 lakhs have been pledged with the consortium of lenders of ESL ('lenders'). The notices issued by the lenders for invocation of pledge of parent's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the parent's plea for release of such pledge is pending before the said Hon'ble High Court.
- Further in the earlier years, certain land amounting to Rs. 29493.58 lakhs of the parent, situated at Elavur, Tamil Naidu, were mortgaged to another lender (SREI Infrastructure Finance Limited) ('SREI') of ESL and SREI had subsequently assigned its right in the said property to an Asset Reconstruction Company ('ARC') although the claims of the said lender were fully discharged by ESL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal ('NCLT'), Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land. The parent had disputed the alleged assignment of the loan by the lender and as directed by the Hon'ble Supreme Court had filed an application before the Debt Recovery Tribunal ('DRT'), Chennai for setting aside the SARAFESI actions and release of the title deeds of the land which vide order dated April 08, 2022 (uploaded on April 27, 2022) had been dismissed by DRT. On filing the appeal before the Debt Recovery Appellate Tribunal (DRAT) against the order of DRT, DRAT has directed the parent to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs against which revision application under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution has been filed. The matter is now pending before Hon'ble Madras High Court.
- Earlier, the ARC had also filed an application before Hon'ble NCLT, Cuttack for initiation of Corporate Insolvency and Resolution Process ('CIRP') against the parent which had been decided in the favour of the parent vide NCLT order dated June 24, 2022 ('the Order'). The said order on being challenged by the ARC has been upheld by NCLAT vide its order dated January 24, 2024 and thereby the order dismissing the application of ARC as above stands valid and effective. The judgement of NCLAT is now being challenged before the Hon'ble Supreme Court which is yet to take up by the said court.
- Pending finalization of the matter, these assets have been carried forward at their book value.
5. The parent as approved by the Shareholders vide their postal ballot resolution dated December 23, 2022, has allotted 23579344 warrants convertible into or exchangeable for 1 (one) fully paid-up equity share of the parent having face value of Re. 1 each at the issue price of Rs. 42.41 each payable in cash ('warrant issue price') on preferential basis to Promoter/ Promoter group on December 27, 2022.
- On receipt of the entire consideration in this respect and on exercise of the conversion right pursuant to the warrants as stated above, 23579344 Equity Shares of Re. 1 each have been allotted on January 24, 2024 to the holders (Promoter/ Promoter Group) thereof as on the date.
6. Pursuant to a settlement arrived in respect of parent's Joint Venture, Domco Private Limited (DPL) for carrying out mining of Coal at Jharkhand, Investment in Equity shares of DPL amounting to Rs. 30.00 lakhs and advance of Rs. 700.00 lakhs given to them being no longer recoverable have been written off during the year. Consequent to the said settlement Arbitration and other proceedings by or against the Parent have been withdrawn and DPL cease to be a Joint Venture of the Group. This, however, does not have any impact on the consolidated financial results of the current period since impairment in value thereof was provided in earlier years and the same consequent to the write off as above, has been written back and included under other income of the year ended March 31, 2024.
7. Subsequent to the balance sheet date, the Board of Directors has recommended a final dividend of Re. 0.90 per share to be paid on fully paid equity shares in respect of the financial year ended March 31, 2024. This equity dividend is subject to approval by the shareholders at the ensuing Annual General Meeting and has not been included as a liability in these consolidated financial results. The estimated amount of final dividend to be paid thereof amounts to Rs. 5563.66 lakhs. This is over and above the Interim Dividend of Re. 0.50 (50%) per Equity Share of face value of Re. 1 each for the financial year 2023-24 declared by the Board of Directors in their meeting held on February 08, 2024 resulting in the outflow of Rs. 3090.93 lakhs in this respect.
8. (a) The parent has undertaken major renovation and repair work at its factory situated at Khardah and thereby the said factory was under shut down for the period from November 24, 2023 till January 15, 2024 involving substantial cost and loss of production etc., impact whereof have been given effect to in the consolidated financial results for the period. Accordingly, figures for the current period are not comparable with the figures of previous periods.
- (b) The parent has undertaken the projects for expanding the capacity of DI Pipes at Srikalahasthi Unit of the company and thereby the total production capacity of DI Pipes is expected to increase in the forthcoming year to 550000 TPA from current installed capacity of 400000 TPA of the said unit. The said capacity of 550000 TPA has been proposed to be further increased by 100000 TPA being under active consideration as on this date.
9. The figures for the quarters ended March 31, 2024 and March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year and the year to date figure upto the quarter ended December 31 of the respective years which were subject to limited review by the Statutory Auditors.
10. Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata  
May 13, 2024



For ELECTROSTEEL CASTINGS LIMITED



  
Umang Kejriwal  
Managing Director  
(DIN: 000065173)

**ANNEXURE I**

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

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024  
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(Rs in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	758025.22	Not Ascertainable
	2.	Total Expenditure	664294.87	
	3.	Net Profit/(Loss) (including other comprehensive income)	73989.83	
	4.	Earnings Per Share (Basic)	12.35	
	5.	Total Assets	910825.76	
	6.	Total Liabilities	910825.76	
	7.	Net Worth (Equity Share Capital plus Other Equity)	511438.15	
	8.	Any other financial item(s) (as felt appropriate by the management)	--	

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

**a. Details of Audit Qualification:**

Attention has been drawn by the Auditors' under the heading "Basis of Qualified Opinion" of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31<sup>st</sup> March 2024 -

Sub Para (a): Note no. 3 regarding cancellation of coal block allotted to the parent in earlier year and adjustments required to be carried out in respect of the claims made by the parent, amount awarded so far in this respect and carrying amounts of the property, plant and equipment, capital work in progress, inventory and balances lying under other heads of account due to the reasons stated therein.

Sub Para (b): Note No. 4 in respect of parent's investment in the equity shares of ESL Steel Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same was set aside by Hon'ble High court at Kolkata and mortgage of Land at Elavur plant in favour of one of the lenders of ESL who had assigned their rights to another party and symbolic possession of the land being taken over by the said party. The matter has been disputed by the parent and as stated is currently pending before DRAT and Hon'ble Madras High Court.

Sub Para (c): Pending finalization of the matters dealt with in Sub Para (a) and Sub Para (b) above, impacts thereof are presently not ascertainable and as such cannot be commented upon by us.

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



c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 3 since financial year 2014-15 and Note no. 4 since financial year 2017-18.

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

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

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

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

Sub Para (a) In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India ('the Order') followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice ('legislative department') dated October 21, 2014 ('Ordinance') for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the parent which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the parent was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited ('BCCL') as per the direction from Coal India Limited ('CIL') with effect from April 01, 2015 and the same was thereafter allotted to Steel Authority of India Limited ('SAIL') and pending final determination, compensation of Rs. 8312.14 lakhs was received. The parent also came to understand that SAIL subsequently handed over back the said coal block to the custody of BCCL.

Following a petition filed by the parent, the Hon'ble High Court at Delhi had pronounced its judgement on March 09, 2017. Accordingly, based on the said judgement, the parent has so far claimed Rs.154944.48 lakhs towards compensation against the said coal block and acceptance of the same is awaited. The Nominated Authority appointed for deciding the amount of compensation had upheld its decision of compensation already paid which was set aside by the Hon'ble High Court with a direction to the Nominated Authority to reconsider the same. The Nominated authority further passed an order dated November 11, 2019 awarding an additional compensation of Rs. 180.00 lakhs and with a further direction to re-determine the value of certain assets by the appropriate authority. Subsequently, a newly appointed Nominated Authority (New Nominated Authority) had appointed a valuer to determine the value of those specified assets as per the direction of the Nominated Authority dated November 11, 2019. The parent came to understand that valuation report recommending a valuation of total direct/hard cost for specified assets has been submitted to the New Nominated Authority and the same being under consideration, a final compensation is yet to be decided. The parent had also earlier approached the New Nominated Authority/ Ministry of Coal (Ministry) to reconsider the compensation determined by the previous Nominated Authority, for land and some other major assets.

In the meantime, JSW Steel Limited ('JSW') has been declared as successful bidder for Parbatpur Coal Block in "16th Tranche of Auction Under Coal Mines (Special Provisions) Act, 2015" and vesting order dated June 08, 2023 has been issued by the Ministry of Coal in favour of JSW. JSW as being claimed by them has taken the physical possession of said coal block and has therefore requested to initiate negotiations for utilization of movable property/ assets used in coal mining. The parent has approached Hon'ble Delhi High Court in this respect and the matter is pending as on this date. The parent's management is actively pursuing to revise and determine the amount of entire compensation for the coal block including mine infrastructure and land and all other related assets in terms of Coal Mines (Special Provisions) Act, 2015 read with judgement dated March 09, 2017 pronounced by the Hon'ble High Court of Delhi and is taking all the necessary legal and other steps for the same.





Pending finalisation of the matter as above;

- (i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the parent has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account;
- (ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 9514.74 lakhs has been considered as other recoverable under current assets; and
- (iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations / claims against sale of assets, advances, input credits etc. amounting to Rs. 2090.04 lakhs have been adjusted. Bank guarantee amounting to Rs. 920.00 lakhs has been given against the compensation received.

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

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

The parent Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. During the year, the parent company has fair valued the equity share of ESL and a loss of Rs. 599.81 lakhs has been accounted for under other comprehensive income.

Investment in ESL include 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 5219.57 lakhs as on March 31, 2024 which were pledged with the consortium of lenders of ESL (lenders) and the said pledge was not released by the lenders even after the settlement of their debt as per the approved resolution plan as above. The notices issued by the lenders for invocation of pledge of parent's investment was set aside by the Hon'ble High Court at Calcutta in the earlier year and the parent's plea for release of such pledge is pending before the said Hon'ble High Court.

In the earlier years, certain land amounting to Rs. 29493.58 lakhs of the parent, situated at Elavur, Tamil Naidu, were mortgaged to another lender (SREI Infrastructure Finance Limited) ('SREI') of ESL and SREI had subsequently assigned its right in the said property to an Asset Reconstruction Company ('ARC') although the claims of the said lender were fully discharged by ESL as per the Resolution Plan approved by Hon'ble National Company Law Tribunal ('NCLT'), Kolkata. Subsequently the ARC had issued SARAFESI Notice and taken the symbolic possession of the said land. The parent had disputed the alleged assignment of the loan by the lender and as directed by the Hon'ble Supreme Court had filed an application before the Debt Recovery Tribunal ('DRT'), Chennai for setting aside the SARAFESI actions and release of the title deeds of the land which vide order dated April 08, 2022 (uploaded on April 27, 2022) had been dismissed by DRT. On filing the



appeal before the Debt Recovery Appellate Tribunal ('DRAT') against the order of DRT, DRAT has directed the parent to deposit 50% of the SARAFESI demand i.e. Rs. 29355.04 lakhs against which revision application under Article 227 of the Indian Constitution and a Writ Application under Article 226 of Indian Constitution has been filed. The matter is now pending before Hon'ble Madras High Court.

Earlier, the ARC had also filed an application before the Hon'ble NCLT, Cuttack for initiation of Corporate Insolvency and Resolution Process ('CIRP') against the parent which had been decided in the favour of the parent vide NCLT order dated June 24, 2022 ('the Order'). The said order on being challenged by ARC has been upheld by NCLAT vide it's order dated January 24, 2024 and thereby the order dismissing the application of ARC by NCLT as above stands valid and effective. The judgement of NCLAT is now being challenged before Hon'ble Supreme Court of India which is yet to be taken up by the said court.




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

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

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

III.

**Signatories:**

<p><b>CEO/Managing Director</b></p> 	 <p><b>Sunil Kataria</b> (Wholetime Director and Group Chief Executive Officer)</p>
<p><b>CFO</b></p>	 <p><b>Ashutosh Agarwal</b> (Wholetime Director and Chief Financial Officer)</p>
<p><b>Audit Committee Chairman</b></p>	 <p><b>Binod Kumar Khaitan</b> (Audit Committee Chairman)</p>
<p><b>Statutory Auditor</b></p> 	<p>For Lodha &amp; Co LLP Chartered Accountants Firm's Registration No: 301051E / E300284</p>  <p><b>R. P. Singh</b> (Partner) Membership No: 052438</p>

Place: Kolkata  
Date: May 13, 2024