

Auditors' Report on Standalone Financial Results**For the Quarter and year ended 31st March 2017****The Board of Directors of****Electrosteel Castings Limited**

1. We have audited the accompanying statement of standalone quarterly financial results of Electrosteel Castings Limited ('the Company') for the quarter and year ended 31st March, 2017, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'), read with SEBI circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016 and has been initialed by us for identification. The financial results for the quarter ended 31st March, 2017 have been prepared on the basis of the audited financial statements for the year ended 31st March, 2017 and the financial results for the nine months ended 31st December, 2016, which were subject to limited review and are the responsibility of the company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our audit of the financial results as at and for the year ended 31st March, 2017 and our review of the financial results for the nine month period ended 31st December 2016, which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India and the relevant requirements of the SEBI Regulations,
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is drawn to the following notes of the accompanying results:
 - a. Note no. 5 dealing with cancellation of coal blocks allotted to the company and non-recognition of the claim for compensation pending acceptance thereof and thereby having impact to the extent indicated in the said note on the balances of capital work in progress, fixed assets, inventories and other heads of account being carried forward under the respective heads. Pending acceptance, the amount finally recoverable against the claim and consequential adjustments thereof are presently not ascertainable.
 - b. Note no. 6 regarding non-provision for impairment in the value of investments in a joint venture company, pending determination of the claim for compensation against North Dhadu Coal Block.
 - c. Impact with respect to (a) and (b) are presently not ascertainable and as such cannot be commented upon by us.



4. In our opinion and to the best of our information and according to the explanations given to us, except for matters described in Paragraph 3 above, these quarterly standalone financial results as well as the year to date results read with notes thereon:

- I. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
- II. gives a true and fair view of the net profit, total comprehensive income and other financial information for the quarter and year ended 31st March 2017.

5. These financial results include the results for the quarter ended 31st March, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto 31st December of the relevant financial year, which were subject to limited review by us as stated in Paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016. Our opinion is not modified in respect of this matter.

Place: Kolkata
Date: 19th May 2017



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

R.P. Singh
R. P. Singh
Partner
Membership No: 52438

**ELECTROSTEEL CASTINGS LIMITED**

CIN: L27310OR1955PLC000310

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

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

Corporate Office: 19, Camac Street, Kolkata 700 017

Website: www.electrosteelcastings.com

E-mail: companysecretary@electrosteel.com

(Rs.in lakhs)

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2017

Particulars	3 months ended 31/03/2017	Preceding 3 months ended 31/12/2016	Corresponding 3 months ended in the previous year 31/03/2016	Year to date figures for current year ended 31/03/2017	Year to date figures for previous year ended 31/03/2016
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1. Revenue From Operations	49381.46	46037.06	55846.20	183418.06	201615.28
2. Other Income	5949.69	1089.61	865.75	9493.75	4120.41
3. Total income (1 + 2)	55331.15	47126.67	56711.95	192911.81	205735.69
4. EXPENSES					
(a) Cost of materials consumed	24896.80	18158.03	18992.65	76436.64	85540.33
(b) Purchases of Stock-in-Trade	1697.88	758.64	936.63	5661.26	4873.91
(c) Changes in inventories of finished goods , Stock-in-Trade and work-in-progress	(975.77)	-799.12	5956.29	(1456.82)	3023.34
(d) Employee benefits expense	4680.05	4463.26	4185.78	18419.28	17612.19
(e) Finance costs	7131.00	3965.38	4312.84	20105.16	16907.79
(f) Depreciation and amortization expense	1655.80	1572.03	1713.87	6368.85	6488.50
(g) Other expenses	14973.28	15389.40	17209.68	56528.41	64090.87
Total expenses	54059.04	43507.62	53307.74	182062.78	198536.93
5. Profit before tax (3 - 4)	1272.11	3619.05	3404.21	10849.03	7198.76
6. Tax expense:					
Current tax	(604.60)	1616.23	1021.16	3202.67	2449.07
Deferred tax	770.42	(398.65)	(93.30)	(81.94)	(837.33)
7. Profit for the period (5 - 6)	1106.29	2401.47	2476.35	7728.30	5587.02
8. Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss	(224.14)	(41.49)	(108.02)	(99.70)	(178.76)
(ii) Income tax relating to items that will not be reclassified to profit or loss	77.90	14.36	37.38	34.83	61.86
B (i) Items that will be reclassified to profit or loss	159.05	(120.30)	(746.74)	189.05	(746.74)
(ii) Income tax related to items that will be reclassified to profit and loss	(55.04)	41.63	258.43	(65.42)	258.43
9. Total Comprehensive Income for the period (7 + 8)	1064.06	2295.67	1917.40	7787.06	4981.81
10. Paid-up equity share capital (Face value - Re. 1/-)	3569.55	3569.55	3569.55	3569.55	3569.55
11. Other equity excluding revaluation reserve				282880.46	277091.52
12. Earnings per equity share of per value of Re. 1 each.					
(1) Basic (Rs.)	0.31	0.67	0.69	2.17	1.57
(2) Diluted (Rs.)	0.31	0.67	0.69	2.17	1.57



(Rs.in lakhs)

STATEMENT OF STANDALONE ASSETS AND LIABILITIES

Particulars		As at March 31, 2017	As at March 31, 2016
A.	ASSETS		
	(1) Non-current assets		
	(a) Property, Plant and Equipment	163486.48	170613.76
	(b) Capital work-in-progress	120975.85	127841.69
	(c) Other Intangible assets	504.78	811.41
	(d) Financial Assets		
	(i) Investments	114606.11	114603.27
	(ii) Trade receivables	108.56	117.21
	(iii) Loans	1211.80	2070.48
	(iv) Others	3560.89	2500.50
	(e) Other non-current assets	624.67	734.16
	Total Non-Current assets	405079.14	419292.48
	(2) Current assets		
	(a) Inventories	43853.46	35092.41
	(b) Financial Assets		
	(i) Investments	90.51	267.15
	(ii) Trade receivables	47000.98	70092.32
	(iii) Cash and cash equivalents	26310.13	8398.35
	(iv) Bank balances other than (iii) above	7037.29	1578.69
	(v) Loans	22852.16	23082.78
	(vi) Others	11812.81	12757.92
	(c) Other current assets	12968.69	12189.52
	Total Current assets	171926.03	163459.14
	Total Assets	577005.17	582751.62
B.	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	3569.55	3569.55
	(b) Other Equity	282880.46	277091.52
	Total Equity	286450.01	280661.07
	LIABILITIES		
	(1) Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	112720.27	114096.24
	(ii) Other financial liabilities	-	137.64
	(b) Provisions	1956.16	1576.51
	(c) Deferred tax liabilities (Net)	29820.68	29872.04
	(d) Other non-current liabilities	20120.75	14852.73
	Total Non-current liabilities	164617.86	160535.16
	(2) Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	57699.28	75828.61
	(ii) Trade payables	21593.85	26085.11
	(iii) Other financial liabilities	22379.29	22678.92
	(b) Other current liabilities	15953.19	9519.21
	(c) Provisions	4083.21	3624.91
	(d) Current Tax Liabilities (Net)	4228.48	3818.63
	Total Current liabilities	125937.30	141555.39
	Total Equity and Liabilities	577005.17	582751.62



Notes:

1. The above financial results which have been prepared in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016, have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on May 19, 2017.
2. (a) These financial results have been prepared in accordance with the Indian Accounting Standards (IND-AS) notified under Companies (Indian Accounting Standards) Rules 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016. IND-AS has been made applicable with effect from April 1, 2016 and the comparative figures for the corresponding quarter and previous year ended March 31, 2016 (transition date being April 1, 2015) have accordingly been restated.
(b) Adjustments carried out consequent to implementation of IND-AS includes fair valuation as deemed cost of Property, Plant and Equipment, fair valuation of Investment in Associates, fair value of financial instruments and consequential adjustments on deferred taxes, etc. Impact of these adjustments have been recognised in Retained earnings, Other Comprehensive Income or Statement of Profit or Loss as required in terms of relevant provisions of IND-AS.
3. The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
4. The Board of Directors of the Company, at its meeting held on August 11, 2014 had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary, Mahadev Vyapaar Private Limited with the Company with effect from April 1, 2014 ("Appointed Date"). Mahadev Vyapaar Private Limited had filed an application before the Hon'ble High Court at Calcutta, which has sanctioned the said Scheme. The application filed by the Company before the Hon'ble High Court at Orissa will be taken by the National Company Law Tribunal, Kolkata Bench ("NCLT") as per Notification no.S.O. 3677(E) dated December 7, 2016 and Rule 3 of Companies (Transfer of Pending Proceedings) Rules, 2016. The said application is yet to be transferred to NCLT. No effect of the Scheme has therefore been given in the above results of the Company.
5. 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 same had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Company, the Hon'ble High Court at Delhi has pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs. 153176 lakhs towards compensation against the said coal block now being allotted to SAIL, acceptance whereof is awaited. Pending acceptance of the Company's claim 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 head of accounts;
(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 recoverables under current assets; and
(iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations against sale of assets, advances etc. amounting to Rs. 633.83 lakhs have been adjusted.

Adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.
6. In terms of the Hon'ble Supreme Court Order as referred above, North Dhadhu Coal Block, allotted in joint venture with other companies, has also been cancelled w.e.f. September 24, 2014. The Company barring initial contribution of Rs. 822.81 lakhs has not made any further investments in the said joint venture company. In respect of Company's investment in North Dhadhu Coal Block, allotted in joint venture with other companies, in view of the management, the compensation to be received in terms of the ordinance is expected to cover the cost incurred by the Joint Venture Company and thereby no impairment requiring any adjustments in value of such investment is expected to arise.
7. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect has expired on January 11, 2017. The Company has filed a writ petition before the Hon'ble High Court of Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, has admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the High Court, Rs. 6333.46 lakhs so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress and advances.
8. The Company's investment in Electrosteel Steels Limited(ESL), an Associate as required in terms of IND-AS has been carried at Rs. 60592.88 lakhs. ESL is passing through financial stringency and therefore debt and other restructuring proposal are under consideration by lenders, final outcome whereof is awaited. Pending this, Company's investment in the said associate has been carried at fair value on transition date as above and no further impairment in value thereof has been considered necessary.
9. Other Income includes Rs.3358.90 lakhs representing profit on sale of property situated at Chennai.
10. Finance costs includes Rs.3500.64 lakhs in respect of External Commercial Borrowings pertaining to Coal mines which have been taken over and allotted to SAIL as stated in note no.5 above.
11. The figures for the quarters ended March 31, 2017 and March 31, 2016 are the balancing figures between the audited figures in respect of the full financial year and the year to date upto the quarter ended 31st December of the respective years.
12. The Board of Directors have recommended a dividend of Re. 0.50 per share (i.e 50 %), subject to approval of shareholders.



13. (a) Reconciliation between Net Profit/Other Equity, as previously reported (referred to as "Previous GAAP") and IND-AS for the quarter and year ended March 31, 2016 are presented as under:

(Rs. in lakhs)				
Particulars	Reff Note No.	Profit reconciliation quarter ended 31.03.2016	Profit reconciliation year ended 31.03.2016	Other Equity * As at 31.03.2016
Net profit / Other Equity under previous GAAP		2398.67	5895.51	250656.47
Adjustment for amount recognised in other comprehensive income		108.02	178.76	208.32
Effect of fair valuation on date of transition as deemed cost of Investments in Associates (net)	13(b)	-	-	(11288.66)
Effect of fair valuation on date of transition as deemed cost and other adjustments under the head Property, Plant and equipment (net)	13(b)	(127.15)	(127.34)	62642.37
Effect on measuring financial instruments at fair value through profit and loss for derivative instruments (net)		77.06	(1305.84)	88.00
Effect of finance Cost as per Effective Interest Rate method		(90.70)	342.19	653.09
Others		53.97	61.31	(8.85)
Effect of Taxes on above		56.47	542.43	(14777.54)
Deferred tax on fair valuation under the head Property, Plant and Equipment	13(b)	-	-	(12626.77)
Dividend and Dividend Distribution Tax		-	-	2148.12
Total Comprehensive Income for the period (7 + 8)		2476.34	5587.02	277694.55
Other Comprehensive Income (net of taxes)				
Actuarial gain/ (loss) on Employees defined benefit		(70.63)	(116.90)	(136.23)
Fair valuation of Investments		-	-	21.51
Cash Flow hedge reserve		(488.31)	(488.31)	(488.31)
Total Comprehensive Income/ Other Equity for the period and as at March 31, 2016 under IND-AS		1917.40	4981.81	277091.52

*Other equity under Previous GAAP includes Previous GAAP carrying amount of revaluation reserve of Rs. 53369.84 lakhs treated as deemed cost under IND-AS

(b). On implementation of IND-As as per Note no. 2 above, fair valuation of certain items of Property, Plant and Equipment and Investment in Associates as on the date of transition has been considered to be as deemed cost. Consequential net increase in value of Property, Plant and Equipment amounting to Rs. 62642.37 lakhs and net decrease in investment in associates amounting to Rs. 11288.66 lakhs has been disclosed in Note no. 13(a) and corresponding impact as required in terms of IND-AS 101, "First-time Adoption of Indian Accounting Standards", has been given effect to in retained earnings (Other Equity).

14. The listed non-convertible debentures of the Company aggregating Rs. 5000.00 lakhs as on March 31, 2017 are fully secured against Company's fixed assets other than assets at Elavur.
15. Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements 2015), are given below in respect of listed Non Convertible Debentures (NCD's) pertaining to the Company as on March 31, 2017

NCD Particulars	Present Rating	Previous Rating	Assets Cover Ratio ***	Details of last Interest Payment		Details of last Principal Payment		Details of Next Interest Payment		Details of Next Principal Payment	
				Due Date	Status	Due Date	Status	Due Date	Amount Rs. in lakhs	Due Date	Amount Rs. in lakhs
11% NCD	BWR A+ CARE BBB+	BWR AA-CARE A	9.50	05.07.2016	Paid	N/A	N/A	05.07.2017	550.00	05.07.2018	5000.00

(ii) **Other disclosures:**

Particulars	31.03.2017	31.03.2016
Networth*	286450.00	280661.06
Debenture Redemption Reserve (Rs. In Lakhs)	6250	3260
Debt Equity Ratio	0.66	0.74
Debt Service Coverage ratio (DSCR)**	1.38	1.10
Interest Service Coverage Ratio (ISCR)***	1.88	1.55

* Networth= Equity Share Capital + Other equity

**DSCR = PBDIT / (Net Finance charges + Scheduled principal repayments (excluding repayments from investment / refinancing) during the period)

***ISCR = PBDIT/Net Finance charges

Net finance Charges: Interest Cost - Interest Income on Fixed Deposit - exchange loss related to interest cost

**** Asset Cover Ratio= Net Block/Total Debt



Kolkata
May 19, 2017

For ELECTROSTEEL CASTINGS LTD.

[Signature]

Umang Kejriwal
Managing Director
(DIN: 00065173)

Auditors' Report on Consolidated Financial Results**For the year ended 31st March 2017****The Board of Directors of****Electrosteel Castings Limited**

1. We have audited the consolidated financial results of Electrosteel Castings Limited ('the Holding Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), its Associates and Joint Venture for the year ended March 31, 2017, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'), read with SEBI circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016 and has been initialed by us for identification. These consolidated financial results, which is the responsibility of the Holding company's management and have been approved by the Board of Directors of the Holding Company, has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India and the relevant requirements of the SEBI Regulations. Our responsibility is to express an opinion on these financial results.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. Attention is drawn to the following notes of the accompanying Statement:
 - a. Note no. 5 dealing with cancellation of coal blocks allotted to the company and non-recognition of the claim for compensation pending acceptance thereof and thereby having impact to the extent indicated in the said note on the balances of capital work in progress, fixed assets, inventories and other heads of account being carried forward under the respective heads. Pending acceptance, the amount finally recoverable against the claim and consequential adjustments thereof are presently not ascertainable.
 - b. Note no. 6 regarding non-provision for impairment in the value of investments in a joint venture company, pending determination of the claim for compensation against North Dhadu Coal Block.
 - c. Impact with respect to (a) and (b) are presently not ascertainable and as such cannot be commented upon by us.



4. We did not audit the financial statements of eleven subsidiary companies included in the consolidated financial statements for the year ended 31st March, 2017, whose financial statements reflect total assets of Rs. 6,470.93 Lakhs as at 31st March, 2017 and total revenue of Rs. 69,452.21 Lakhs for the year ended on that date, as considered in the consolidated financial results. The statement also includes the Group's share of net profit of Rs. 3,680.50 Lakhs for the year ended 31st March, 2017, as considered in the statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the report of the other auditors.
5. As stated in Note No. 10 of the consolidated financial statement, we did not audit the financial statements of one subsidiary company and one joint venture whose financial statements reflect total assets of Rs. 3,413.19 Lakhs as at 31st March 2017 and total revenue of Rs. 1.14 Lakhs for the year ended as on that date, as considered in the consolidated financial statements. The aforesaid financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture is based solely on the unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.
6. As stated in Note No. 12 of the consolidated financial statement, due to non-availability of the financial statement of Domco Private Limited, a joint venture, have not been consolidated in these Consolidated Financial Statements as required in terms of IND AS- 28 on "Investments in Associates and Joint Ventures".
7. In our opinion and to the best of our information and according to the explanations given to us, except for matters described in Paragraph 3 above, these consolidated financial results read with notes thereon:
 - I. include the financial results for the year ended 31st March 2017 of:

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



- II. have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
- III. gives a true and fair view of the consolidated net profit, total comprehensive income and other financial information for the Group for the year ended 31st March 2017.

Place: Kolkata
Date: 19th May 2017



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

R.P. Singh
R. P. Singh
Partner
Membership No: 52438

**ELECTROSTEEL CASTINGS LIMITED**

CIN: L27310OR1955PLC000310

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

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

Corporate Office: 19, Camac Street, Kolkata 700 017

Website: www.electrosteelcastings.com

E-mail: companysecretary@electrosteel.com

(Rs.in lakhs)

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED 31/03/2017

Particulars		Year to date figures for current year ended 31/03/2017	Year to date figures for previous year ended 31/03/2016
		(Audited)	(Audited)
1.	Revenue From Operations	211974.50	220423.09
2.	Other Income	11956.02	2910.71
3.	Total income (1 + 2)	223930.52	223333.80
4.	EXPENSES		
	(a) Cost of materials consumed	76436.64	85540.33
	(b) Purchases of Stock-in-Trade	12918.15	12533.60
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	3590.07	(1806.53)
	(d) Employee benefits expense	23747.52	22909.34
	(e) Finance costs	21035.19	18032.73
	(f) Depreciation and amortization expense	6690.18	6725.28
	(g) Other expenses	66253.52	74156.00
	Total expenses	210671.27	218090.75
5.	Profit before tax (3 - 4)	13259.25	5243.05
6.	Tax expense:		
	Current tax	3419.18	2497.88
	Deferred tax	(39.70)	(805.82)
7.	Profit/(Loss) after tax (5-6)	9879.77	3550.99
	Add:- Share of Profit/(Loss) in Associates and Joint Venture	6613.11	(6285.06)
	Add:- Share of Unrealised Profit/(Loss) in Associates	31.44	(7.85)
8.	Profit/(Loss) for the year	16524.32	(2741.92)
9.	Profit/(Loss) for the year attributable to:		
	- Owners of the Parent	16525.23	(2742.05)
	- Non-Controlling Interest	(0.91)	0.13
10.	Other Comprehensive Income		
	A (i) Items that will not be reclassified to profit and loss	(99.70)	(178.76)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	34.83	61.86
	B (i) Items that will be reclassified to profit and loss	189.05	(746.74)
	(ii) Income tax relating to items that will be reclassified to profit and loss	(65.42)	258.43
	C Share of Other Comprehensive Income in Associates	(3.34)	(9.11)
	Other Comprehensive Income for the period	55.42	(614.32)
11.	Other Comprehensive Income for the year attributable to:		
	- Owners of the Parent	55.42	(614.32)
	- Non-Controlling Interest	-	-
12.	Total Comprehensive Income for the period (8+10)	16579.74	(3356.24)
13.	Total Comprehensive Income for the year attributable to:		
	- Owners of the Parent	16580.65	(3356.37)
	- Non-Controlling Interest	(0.91)	0.13
14.	Paid-up equity share capital (Face value - Re. 1/-)	3569.55	3569.55
15.	Other equity excluding revaluation reserve	260070.06	245487.53
16.	Earnings per equity share of per value of Re. 1 each.		
	(1) Basic (Rs.)	4.63	(0.77)
	(2) Diluted (Rs.)	4.63	(0.77)



(Rs. In lakhs)

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

Particulars		As at March 31, 2017	As at March 31, 2016
A.	ASSETS		
	(1) Non-current assets		
	(a) Property, Plant and Equipment	169890.61	176877.56
	(b) Capital work-in-progress	120975.85	127841.69
	(c) Goodwill	216.03	216.03
	(d) Other Intangible assets	571.62	901.39
	(e) Financial Assets		
	(i) Investments	84058.06	78379.10
	(ii) Trade receivables	108.56	117.21
	(iii) Loans	1249.11	2108.19
	(iv) Others	3560.89	2500.50
	(e) Other non-current assets	634.98	737.70
	Total Non-Current assets	381265.71	389679.37
	(2) Current assets		
	(a) Inventories	62953.49	59239.34
	(b) Financial Assets		
	(i) Investments	90.51	267.16
	(ii) Trade receivables	44526.59	53851.56
	(iii) Cash and cash equivalents	28620.07	12451.52
	(iv) Bank balances other than (iii) above	7037.29	1578.69
	(v) Loans	22595.42	22841.40
	(vi) Others	11812.81	12757.92
	(c) Other current assets	17669.90	18120.04
	Total Current assets	195306.08	181107.63
	Total Assets	576571.79	570787.00
B.	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	3569.55	3569.55
	(b) Other Equity	260070.06	245487.53
	(c) Non-Controlling Interest	21.34	22.25
	Total Equity	263660.95	249079.33
	LIABILITIES		
	(1) Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	113497.38	115245.88
	(ii) Other financial liabilities	-	137.64
	(b) Provisions	1956.16	1576.51
	(c) Deferred tax liabilities (Net)	29827.08	29836.19
	(d) Other non-current liabilities	20120.75	14865.06
	Total Non-current liabilities	165401.37	161661.28
	(2) Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	70574.77	86218.91
	(ii) Trade payables	28580.21	32018.33
	(iii) Other financial liabilities	22849.43	23187.26
	(b) Other current liabilities	17029.58	11269.21
	(c) Provisions	4234.59	3645.30
	(d) Current Tax Liabilities (Net)	4240.89	3707.38
	Total Current liabilities	147509.47	160046.39
	Total Equity and Liabilities	576571.79	570787.00



Notes:

- 1 The above consolidated financial results which have been prepared in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016, have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on May 19, 2017.
- 2 (a) These financial results have been prepared in accordance with the Indian Accounting Standards (IND-AS) notified under Companies (Indian Accounting Standards) Rules 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016. IND-AS has been made applicable with effect from April 1, 2016 and the comparative figures for the previous year ended March 31, 2016 (transition date being April 1, 2015) have accordingly been restated.
(b) Adjustments carried out consequent to implementation of IND-AS includes fair valuation as deemed cost of Property, Plant and Equipment, fair valuation of Investment in Associates, fair value of financial instruments and consequential adjustments on deferred taxes, etc. Impact of these adjustments have been recognised in Retained earnings, Other Comprehensive Income or Statement of Profit or Loss as required in terms of relevant provisions of IND-AS.
- 3 The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
- 4 The Board of Directors of the Company, at its meeting held on August 11, 2014 had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary, Mahadev Vyapaar Private Limited with the Company with effect from April 1, 2014 ("Appointed Date"). Mahadev Vyapaar Private Limited had filed an application before the Hon'ble High Court at Calcutta, which has sanctioned the said Scheme. The application filed by the Company before the Hon'ble High Court at Orissa will now be taken by the National Company Law Tribunal, Kolkata Bench ("NCLT, Kolkata") as per Notification no.S.O. 3677(E) dated December 7, 2016 and Rule 3 of Companies (Transfer of Pending Proceedings) Rules, 2016. No effect of the Scheme has therefore been given in the above results of the Company.
- 5 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 same had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Company, the Hon'ble High Court at Delhi has pronounced its judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs. 153176 lakhs towards compensation against the said coal block now being allotted to SAIL, acceptance whereof is awaited. Pending acceptance of the Company's claim 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 head of accounts;
(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 recoverables under current assets; and
(iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations against sale of assets, advances etc. amounting to Rs. 636.62 lakhs have been adjusted.

Adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim by the company.
- 6 In terms of the Hon'ble Supreme Court Order as referred above, North Dhadhu Coal Block, allotted in joint venture with other companies, has also been cancelled w.e.f. September 24, 2014. The Company barring initial contribution of Rs. 822.81 lakhs has not made any further investments in the said joint venture company. In respect of Company's investment in North Dhadhu Coal Block, allotted in joint venture with other companies, in view of the management, the compensation to be received in terms of the ordinance is expected to cover the cost incurred by the Joint Venture Company and thereby no impairment requiring any adjustments in value of such investment is expected to arise.
- 7 Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect has expired on January 11, 2017. The Company has filed a writ petition before the Hon'ble High Court of Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, has admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the High Court, Rs. 6333.46 lakhs so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress and advances.
- 8 a) Electrosteel Steels Limited, an associate has incurred significant amount of losses leading to erosion of net worth and the current liabilities exceeds the current assets. The lenders have since invoked the strategic debt restructuring (SDR) pursuant to RBI circulars dated June 8, 2015 and September 24, 2015 since due compliance of the sanctioned CDR package could not be met with and the implementation thereof is under progress. The associate has positive EBIDTA in the current and previous financial year. The associate is seeking potential investment of necessary funds. Considering their above developments and favorable impact thereof on the financials of the said associate and its operations, it has prepared their financial statements on going concern basis.
b) The Company has discontinued recognising future losses in respect of Electrosteel Steels limited, an associate under the equity method in accordance with IND AS - 28 "Investments in associates and joint venture" as the share of losses exceeds its interest in the said associate.
- 9 The Board of Directors have recommended a dividend of Re. 0.50 per share (i.e 50 %), subject to approval of shareholders.
- 10 The financial statements of North Dhadhu Mining Company Private Limited, a joint venture company & Electrosteel Brasil Ltda.Tubos e Conexoes Duteis, a subsidiary company for the year ended 31st March, 2017 has not been subjected to audit by their auditor



- 11 Other Income includes Rs 3358.90 lakhs representing profit on sale of land and building situated at Chennai.
- 12 Finance costs includes Rs. 3500.64 lakhs in respect of External Commercial Borrowings pertaining to Coal mines which have been taken over and allotted to SAIL as stated in note no.5 above.
- 13 The Company has investment of Rs. 30 Lakhs in equity shares and given advance of Rs. 700 Lakhs against equity to Domco Private Limited (DPL), a Company incorporated in India, and has joint control (proportion of ownership interest of the Company being 50%) over DPL along with other venturers (the Venturers). The Venturers had filed a petition before the Company Law Board, Principal Bench, New Delhi (CLB) against the Company on various matters including for forfeiture of the Company's investment in equity shares of the DPL. The Company had inter alia filed petition before the Hon'ble High Court of Jharkhand at Ranchi. The Hon'ble High Court of Jharkhand at Ranchi upheld the Company's appeal and decided that the matter would have to be referred for Arbitration, the Venturer has challenged the aforesaid judgment in the Divisional Bench of the Hon'ble High Court of Jharkhand at Ranchi. Further advance of Rs. 700 Lakhs recoverable as above has also been referred for arbitration in terms of Shareholders Agreement. Pending final outcome of the matter and since, the other Venturer are not providing the financial statements of DPL, and thereby disclosures as regards to contingent liability, capital commitments, if any, aggregate amounts of the assets, liabilities, income and expenses related to the Company's interest in DPL has not been made in these financial statements in accordance with IND AS-112 "Disclosure of Interests in Other Entities"
- 14 (a) Reconciliation between Net Profit/Other Equity, as previously reported (referred to as "Previous GAAP") and IND-AS for the quarter and year ended March 31, 2016 are presented as under:

(Rs. in lakhs)

Particulars	Ref. Note No.	Profit reconciliation year ended 31.03.2016	Other Equity* As at 31.03.2016
Net profit / Other Equity under previous GAAP		(3321.59)	197980.45
Adjustment for amount recognised in other comprehensive income		178.76	208.32
Effect of fair valuation on date of transition as deemed cost of Investments in Associates(Net)	14(b)	-	(11288.66)
Effect of fair valuation on date of transition as deemed cost and other adjustments under the head Property, Plant and equipment	14(b)	(127.34)	62642.37
Effect of fair valuation on date of transition as deemed cost and other adjustments for Property, Plant and equipment in case of Associates & Subsidiary	14(b)	-	21482.44
Effect of remeasurement of goodwill on fair valuation of subsidiary		-	(1203.68)
Effect on measuring financial instruments at fair value through profit and loss for derivative instruments (net)		(1305.84)	88.00
Effect of finance Cost as per Effective Interest Rate method		342.19	653.09
Others		61.31	(8.85)
Effect of Taxes on above		542.43	(14777.53)
Effect of change due to equity method consolidation in Joint venture		(11.23)	-
Effect of change in current tax due to equity method consolidation of Joint venture		3.51	-
Deferred tax on fair valuation under the head Property, Plant and Equipment		-	(12626.77)
Effect of change in share of Profit/(Loss) due to adaption of IND-AS in Associates and Joint Venture		895.75	887.99
Dividend and Dividend Distribution Tax		-	2148.12
Net Profit for the period / Other Equity as at 31.03.2016 under IND-AS		(2742.05)	246185.29
Other Comprehensive Income (net of taxes)		-	-
Actuarial gain/ (loss) on Employees defined benefit		(126.01)	(230.97)
Fair valuation of Investments		-	21.52
Cash Flow hedge reserve		(488.31)	(488.31)
Total Comprehensive Income/ Other Equity for the year ended and as at March 31, 2016 under IND-AS		(3356.37)	245487.53

* Other equity under Previous GAAP includes carrying amount of revaluation reserve of Rs. 53369.84 lakhs treated as deemed cost under IND-AS

(b). On implementation of IND-As as per Note no. 2 above, fair valuation of certain items of Property, Plant and Equipment and Investment in Associates as on the date of transition has been considered to be as deemed cost. Consequential net increase in value of Property, Plant and Equipment amounting to Rs. 84124.81 lakhs and net decrease in investment in associates amounting to Rs. 11288.66 lakhs has been disclosed in Note no. 14(a) and corresponding impact as required in terms of IND-AS 101, "First-time Adoption of Indian Accounting Standards", has been given effect to in retained earnings (Other Equity).



Kolkata
May 19, 2017

For ELECTROSTEEL CASTINGS LTD.


Umang Kejriwal

Managing Director
(DIN: 00065173)