

Limited Review Report**The Board of Directors
Electrosteel Castings Limited**

1. We have reviewed the accompanying statement of unaudited Financial Results of Electrosteel Castings Limited ('the Company') for the Quarter and Half Year ended on 30th September 2016 ('the Results'). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016 which has been initialed by us for the purpose of identification. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is drawn to the following notes of the accompanying results:
 - a) Note no. 7(a) dealing with cancellation of coal blocks allotted to the company and accounting being followed in this respect and the resultant amount of the claim for compensation along with interest thereon and consequential adjustments thereof presently not being ascertained and given effect to, pending decision of the court on the matter;
 - b) Note no. 7(b) regarding impairment in the value of investments in a joint venture company, pending determination of the claim for compensation against North Dhadu Coal Block; and,
 - c) Note no. 8 regarding Investment in an associate company being carried at cost.
 - d) Impact with respect to (a) to (c) are presently not ascertainable and as such cannot be commented upon by us.
4. Based on our review conducted as above, we report that, excepting the possible effect of the matters stated in Para 3 above nothing has come to our attention that causes us to believe that the accompanying statement of the Results prepared in accordance with applicable Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Kolkata
Date: 10th December 2016For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E*R.P. Singh*
R P SinghPartner
Membership No.052438



ELECTROSTEEL CASTINGS LIMITED
CIN: L27310OR1955PLC000310

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PART I (Rs. in lakhs)

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30/09/2016

Particulars	3 months ended 30/09/2016	Preceding 3 months ended 30/06/2016	Corresponding 3 months ended in the previous year 30/09/2015	Year to date figures for current period ended 30/09/2016	Year to date figures for previous period ended 30/09/2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Income from operations					
Net Sales/Income from operations	44073.60	42149.38	44827.44	86222.98	93204.25
Less: Excise Duty	1063.13	941.54	988.59	2004.67	2383.65
(a) Net Sales/Income from Operations (Net of excise duty)	43010.47	41207.84	43838.85	84218.31	90820.60
(b) Other operating income	894.76	881.79	973.07	1776.55	1894.44
Total income from operations (net)	43905.23	42089.63	44811.92	85994.86	92715.04
2. Expenses					
(a) Cost of materials consumed	18436.61	14945.20	21638.39	33381.81	44989.42
(b) Purchases of stock-in-trade	1379.36	1825.38	1053.50	3204.74	2888.26
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1883.33)	2201.41	(2474.13)	318.08	(3561.14)
(d) Employee benefits expense	5072.41	4203.56	4561.45	9275.97	8715.51
(e) Depreciation and amortisation expense	1572.60	1568.42	1602.16	3141.02	3177.35
(f) Other expenses	12286.96	11874.10	14512.83	24161.06	29545.01
Total expenses	36864.61	36618.07	40894.20	73482.68	85754.41
3. Profit / (Loss) from operations before other income, finance costs (1-2)	7040.62	5471.56	3917.72	12512.18	6960.63
4. Other Income	1744.60	709.85	1186.01	2454.45	2818.28
5. Profit / (Loss) from ordinary activities before finance costs (3 + 4)	8785.22	6181.41	5103.73	14966.63	9778.91
6. Finance costs	4391.68	4617.10	4393.06	9008.78	8373.18
7. Profit / (Loss) from ordinary activities after finance costs but before tax (5 - 6)	4393.54	1564.31	710.67	5957.85	1405.73
8. Tax expense	1179.88	557.45	(47.83)	1737.33	106.79
9. Net Profit / (Loss) from ordinary activities after tax (7 - 8)	3213.66	1006.86	758.50	4220.52	1298.94
10. Other Comprehensive Income after Tax	5.17	(0.36)	(15.42)	4.81	(30.84)
11. Total Comprehensive Income after tax (9 + 10)	3218.83	1006.50	743.08	4225.33	1268.10
12. Paid-up equity share capital (Face value - Re. 1/-)	3569.55	3569.55	3569.55	3569.55	3569.55
13. Earnings Per Share (EPS) of Re.1 each (not annualised):					
Basic (Rs.)	0.90	0.28	0.21	1.18	0.36
Diluted (Rs.)	0.90	0.28	0.21	1.18	0.36



Unaudited Statement of Standalone Assets and Liabilities

(Rs. in lakhs)

As per IND AS

Particulars		As at September 30, 2016
ASSETS		
1	Non-current assets	
	(a) Property, Plant and Equipment	105,350.67
	(b) Capital work-in-progress	120,481.70
	(c) Other Intangible assets	655.76
	(d) Biological Assets other than bearer plants	1.11
	(e) Financial Assets	
	(i) Investments	125,964.04
	(ii) Trade receivables	98.01
	(iii) Others	5,401.53
	(f) Other non-current assets	732.59
		358,685.41
2	Current assets	
	(a) Inventories	35,677.57
	(b) Financial Assets	
	(i) Investments	73.28
	(ii) Trade receivables	51,088.18
	(iii) Cash and cash equivalents	5,687.01
	(iv) Bank Balances other than (iii) above	6,554.15
	(v) Others	12,134.15
	(c) Other current assets	37,096.14
		148,310.48
	Total Assets	506,995.89
EQUITY AND LIABILITIES		
Equity		
	(a) Equity Share capital	3,569.55
	(b) Other Equity	241,119.47
		244,689.02
Liabilities		
1	Non-current liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	104,405.60
	(ii) Other Financial Liabilities	111.77
	(b) Provisions	1,599.56
	(c) Deferred tax liabilities (Net)	16,134.78
	(d) Other non-current liabilities	14,397.21
		136,648.92
2	Current liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	61,497.12
	(ii) Trade payables	
	Dues to micro and small enterprises	-
	Dues to others	23,930.58
	(iii) Other financial liabilities	18,183.73
	(b) Other current liabilities	14,731.52
	(c) Provisions	2,287.87
	(d) Current Tax Liabilities (Net)	5,027.13
		125,657.95
	Total Equity and Liabilities	506,995.89



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 December 10, 2016. The above results have been subjected to Limited Review by the Statutory Auditors.

2. 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 half year ended of the previous year (transition date being April 1, 2015) have accordingly been restated.

3. The above results may require adjustment before constituting the first set of IND-AS, financials as of and for the year ended March 31, 2017 due to changes in financial reporting assumptions and applications arising from new or revised standards or interpretations received or changes in the use of one or more optional exemptions as permitted in Indian Accounting Standards (Ind-AS) 101 issued under Companies (Indian Accounting Standards) Rules, 2015 by the Ministry of Corporate Affairs.

4. The format for Unaudited Quarterly Results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's Circular dated July 5, 2016, IND-AS and Schedule III (Division II) to the Companies Act, 2013 applicable to the companies which are preparing the financial statements as per IND-AS.

5. The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.

6. The Board of Directors of the Company in 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"). The Company has filed an application before Hon'ble High Court of Orissa at Cuttack which is pending for hearing. In respect of the application filed by Mahadev Vyapaar Private Limited before the Hon'ble High Court at Calcutta, the Hon'ble High Court has sanctioned the said Scheme. No effect of the Scheme has been given in the above results of the Company, pending sanction by the Hon'ble High Court of Orissa.

7.(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, has 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 has been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015. The Company pending acceptance and recovery of the amount of compensation, has filed a petition before the Hon'ble High Court at Delhi, hearing whereof has been concluded and judgement is awaited.

Pending decision of the Court,

(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 period from April 01, 2015 onwards against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 11303.36 lakhs (including Rs.(253.21) lakhs for the quarter ended 30th September, 2016) has been considered as other recoverable under current assets.

(iii) Compensation of Rs. 8239.92 lakhs (including Rs.6144.67 lakhs received during the quarter) till 30th September, 2016 and realisations against sale of assets, advances etc amounting to Rs. 633.83 lakhs have been adjusted there against.

The matter being subjudice the amount of compensation finally receivable is presently not ascertainable and consequential adjustments in this respect will be given effect to on ascertainment of the amounts thereof.

(b) 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 of Rs.822.81 lakhs 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.

8. The Company has investments of Rs. 111077.64 lakhs in Electrosteel Steels Limited, which is passing through financial stringency and therefore debt and other restructuring proposal are under consideration by lenders, final outcome whereof is awaited. Pending this and resulted valuation etc., Company's investment in the said associate has been carried at cost.



