

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 ended on 30th September 2014 ('the Results') except for the disclosures regarding 'Public Shareholdings' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors and the same has been initialed by us for the purpose of identification. 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 Note 4 (a) and (b) of the accompanying results dealing with cancellation of coal blocks by the Order of Hon'ble Supreme Court of India and Ordinance issued by the Government of India for implementing the said Order. The impact on the value of the fixed assets and the investments in coal mining operations due to the reasons given in the said note has not been ascertained and as such cannot be commented upon by us and the additional levy on coal so far extracted from the Parbatpur coal block to the extent stated in Note 4 (b) has not been provided for and as stated therein will be given effect to in subsequent quarters.
4. Based on our review conducted as above, we report that, excepting the possible effect of the matter 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 Accounting Standards issued under the Companies (Accounting Standards) Rule, 2006 which continue to apply as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Kolkata
Date: 29th October 2014



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

R.P. Singh
R P Singh
Partner
Membership No.052438

ELECTROSTEEL CASTINGS LIMITED

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Corporate Office:- G K Tower, 19, Camac Street, Kolkata - 700 017

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FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2014

(Rs. in lakhs)

PART I	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from operations							
(a) Net sales/income from operations (Net of excise duty)	50993.57	44270.86	54452.88	95264.43	101031.64	209612.37	
(b) Other operating income	2521.86	1567.55	2243.87	4089.41	4886.25	9175.56	
Total income from operations (net)	53515.43	45838.41	56696.75	99353.84	105917.89	218687.93	
2. Expenses							
(a) Cost of materials consumed	26223.47	23866.68	22662.16	50090.15	45245.86	94732.02	
(b) Purchases of stock-in-trade	4509.41	1961.52	8956.06	6470.93	13384.29	18257.30	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4839.71)	(4501.41)	(1169.53)	(9341.12)	(3523.65)	(2963.84)	
(d) Employee benefits expense	4243.20	3788.24	3901.01	8031.44	7309.88	14876.05	
(e) Depreciation and amortisation expense	1819.50	1659.32	1348.66	3478.82	2668.92	5296.71	
(f) Power and fuel	4431.71	4123.50	3858.49	8555.21	7560.22	15815.26	
(g) Stores and spares	3652.23	3462.43	3291.74	7114.66	6357.10	13017.62	
(h) Other expenditure	8265.80	6565.43	7962.51	14831.23	18574.37	34448.23	
Total expenses	48305.61	40925.71	50811.10	89231.32	97576.99	193479.35	
3. Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	5209.82	4912.70	5885.65	10122.52	8340.90	25208.58	
4. Other Income	631.87	935.01	374.76	1566.88	914.75	1970.10	
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	5841.69	5847.71	6260.41	11689.40	9255.65	27178.68	
6. Finance costs	4136.30	2943.60	4109.76	7079.90	6988.33	13581.96	
7. Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	1705.39	2904.11	2150.65	4609.50	2267.32	13596.72	
8. Tax expense	427.49	927.71	201.63	1355.20	263.28	3540.88	
9. Net Profit / (Loss) from ordinary activities after tax (7 - 8)	1277.90	1976.40	1949.02	3254.30	2004.04	10055.84	
10. Paid-up equity share capital (Face value - Re. 1/-)	3569.55	3569.55	3267.53	3569.55	3267.53	3438.17	
11. Reserves excluding revaluation reserve as per balance sheet of previous accounting year						184480.22	
12. Earnings per share (EPS) for the period, before and after extraordinary items and for the previous year (not annualized):							
Basic (Rs.)	0.36	0.56	0.60	0.92	0.61	3.02	
Diluted (Rs.)	0.36	0.56	0.60	0.92	0.61	3.02	
13. Debt Service Coverage Ratio (DSCR)*				1.23	1.06	1.48	
14. Interest Service Coverage Ratio (ISCR)**				1.87	1.60	2.13	

*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

PART II							
PART I	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A PARTICULARS OF SHAREHOLDING							
1. Public shareholding							
- Number of shares	165317718	164965950	164965950	165317718	164965950	164965950	
- Percentage of shareholding	46.31%	46.21%	50.48%	46.31%	50.48%	47.98%	
2. Promoters and Promoter Group Shareholding							
a) Pledged / Encumbered							
-Number of shares	32675270	32675270	-	32675270	-	32675270	
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	17.27%	17.27%	-	17.27%	-	18.56%	
-Percentage of shares (as a % of the total share capital of the company)	9.15%	9.15%	-	9.15%	-	9.50%	
b) Non - encumbered							
-Number of shares	156549102	156544102	159016755	156549102	159016755	143406102	
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	82.73%	82.73%	100.00%	82.73%	100.00%	81.44%	
-Percentage of shares (as a % of the total share capital of the company)	43.86%	43.86%	48.67%	43.86%	48.67%	41.71%	



Particulars		3 months ended 30 / 09 / 2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	NII
	Received during the quarter	3
	Disposed of during the quarter	3
	Remaining unresolved at the end of the quarter	NII

Standalone Statement of Assets and Liabilities (Rs. In lakhs)

Particulars		STANDALONE	
		30.09.2014 (Unaudited)	31.03.2014 (Audited)
A	EQUITY AND LIABILITIES		
	Shareholders' funds		
	(a) Share capital	3569.55	3438.17
	(b) Reserves and surplus	246846.94	241286.22
	(c) Money received against share warrants	-	-
	Sub-total - Shareholders' funds	250416.49	244724.39
	Share application money pending allotment	-	-
	Minority interest	-	-
	Non-current liabilities		
	(a) Long-term borrowings	138283.17	151547.74
	(b) Deferred tax liabilities (net)	3175.37	3514.90
	(c) Other long-term liabilities	347.42	499.67
	(d) Long-term provisions	1205.60	1505.60
	Sub-total - Non-current liabilities	143011.55	157067.91
	Current liabilities		
	(a) Short-term borrowings	82889.40	68649.68
	(b) Trade payables	17248.72	30473.60
	(c) Other current liabilities	37127.50	34256.01
	(d) Short-term provisions	5984.83	5627.01
	Sub-total - Current liabilities	143250.46	139006.30
	TOTAL - EQUITY AND LIABILITIES	536678.50	540798.60
B	ASSETS		
	Non-current assets		
	(a) Fixed assets	232621.84	230544.52
	(b) Non-current investments	125445.77	103237.63
	(c) Long-term loans and advances	5439.48	28866.18
	(d) Other non-current assets	491.11	1279.32
	Sub-total - Non-current assets	363998.19	363927.65
	Current assets		
	(a) Current investments	790.41	6758.35
	(b) Inventories	65408.88	55679.53
	(c) Trade receivables	57309.10	61685.81
	(d) Cash and cash equivalents	17749.95	22884.36
	(e) Short-term loans and advances	19666.70	19235.45
	(f) Other current assets	11755.26	10627.45
	Sub-total - Current assets	172680.30	176870.95
	TOTAL - ASSETS	536678.49	540798.60



Notes:

1. The above financial results, as reviewed by audit committee, were approved by the Board of Directors at their meeting held on October 29, 2014. The above results have been subjected to Limited Review by the Statutory Auditors.
2. The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
3. During the quarter ended September 30, 2014 (a) the company has sold 245000 shares of its subsidiary Singardo International Pte Ltd. Cosequent to sale of such shares Singardo International Ptd Ltd ceased to be a subsidiary of the company w.e.f September 30, 2014 and has become an associate company. (b) the company has invested Rs.22250.00 lakhs by acquiring equity shares of Electrosteel Steels Ltd., an associate of the company.
- 4(a) The Hon'ble Supreme Court of India vide its Order dated September 24, 2014 has cancelled the coal blocks allotted in earlier years to various companies. This includes Parbatpur coal block allotted to the company and North Dhadhu coal block allotted to it jointly with other companies. The Government of India, Ministry of Law and Justice (Legislative Department) has promulgated an Ordinance on October 21, 2014 for implementing the order of Supreme Court and fixation of compensation, etc. to the existing allottees. The coal mines at Parbatpur is in the advance stage of implementation and in terms of the Ordinance the company will be allowed to continue its operation till March 31, 2015. In case of North Dhadhu barring company's share of initial investments, no further contributions has been made and the mine is yet to be made operational. The company has filed petition before the Hon'ble Supreme Court of India and is examining the implication of the Ordinance on the company's investment so far made in coal mining operations. Pending this, no adjustments in the value of fixed assets and investments as such has been considered as the same will be given effect to in subsequent quarters on ascertainment of the amounts.
- 4(b) In view of the above, the adjustment on account of additional levy of Rs. 295 per MT arising in terms of the said Ordinance against the coal extracted from the mining operations aggregating to Rs. 2971.90 lakhs having impact of Rs. 943.80 lakhs on working results has not been given effect to and as stated above will be suitably dealt with in subsequent quarters.
5. During the quarter, depreciation has been provided as per Schedule II of the Companies act, 2013 which has been made effective from 1st day of April 2014. Accordingly, carrying amount of the assets as on March 31, 2014 have been depreciated over the remaining useful life of the assets recomputed as above. Consequently, depreciation for the quarter and six months period is higher by Rs. 479.56 lakhs and Rs.827.97 lakhs respectively.
6. Previous period's figures have been regrouped/rearranged wherever necessary.

For ELECTROSTEEL CASTINGS LTD.



Umang Kejriwal

Managing Director



Kolkata
October 29, 2014