

Independent Auditors Report on Quarterly and Annual Standalone Financial Results of Electrosteel Castings Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To 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, 2018, 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 initialled by us for identification. The financial results for the quarter ended 31st March, 2018 have been prepared on the basis of the audited financial statements for the year ended 31st March, 2018 and the financial results for the nine months ended 31st December, 2017, 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, 2018 and our review of the financial results for the nine months period ended 31st December 2017, 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 there under, 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.

Basis for Qualified Opinion

3. Attention is drawn to the following notes to the accompanying standalone Ind AS financial results:
 - a) Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending acceptance of claim, disclosures as per Indian Accounting standard will be given effect on final settlement and the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.
 - b) Note No. 5 in respect of cancellation of North Dhadhu Coal block and non impairment in the value of the Investment and share of Bank guarantee in the Joint Venture Company, pending determination of the claim for compensation.



c) Note No. 7 in respect of Company's financial exposure of Rs. 817,44.13 lacs in Electrosteel Steels Limited (ESL), an associate company, along with mortgage of certain fixed assets of the Company in favour of a Lender of ESL, which has been carried forward at their carrying value. Pending completion of resolution proceedings, no impairment has been provided in respect to above exposure and the impact of which is not presently ascertainable.

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

Qualified Opinion

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 Ind As 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 financial performance including total comprehensive income and other financial information for the quarter and year ended 31st March 2018.
5. Attention is drawn to the fact that the comparative figure for the quarter and year ended 31st March 2017 are based on the previously issued standalone financial statements prepared in accordance with the Ind As that were audited by the erstwhile auditors. The audit report dated 19th May 2017 on the audited standalone financial statement of the Company for the year ended 31st March 2017 issued by erstwhile auditors expressed a modified opinion.

Our opinion is not modified in respect of this matter.



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

(Gopal Jain)
Partner

Membership No. 059147

Place: Kolkata

Dated: 15 May 2018



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

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Website: www.electrosteelcastings.com

E-mail: companysecretary@electrosteel.com

(Rs.in lakhs)

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2018

Particulars	3 months ended 31/03/2018	Preceding 3 months ended 31/12/2017	Corresponding 3 months ended in the previous year 31/03/2017	Year to date figures for current period ended 31/03/2018	Year to date figures for previous period ended 31/03/2017
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1. Revenue From Operations	54010.32	51179.69	49193.97	194366.44	183207.85
2. Other Income	1294.66	2197.54	6137.18	7991.72	9703.96
3. Total income (1 + 2)	55304.98	53377.23	55331.15	202358.16	192911.81
4. EXPENSES					
(a) Cost of materials consumed	23310.56	22529.34	24750.79	87314.93	75872.28
(b) Purchases of Stock-in-Trade	1538.22	2155.90	1697.88	7800.88	5661.26
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	2705.94	1354.02	(975.77)	(32.74)	(1456.82)
(d) Employee benefits expense	4052.51	4733.05	4680.05	18880.82	18419.28
(e) Finance costs	5216.52	4516.95	7131.00	20231.83	20105.16
(f) Depreciation and amortization expense	1396.31	1517.35	1655.80	5921.85	6368.85
(g) Other expenses	15903.70	13421.79	15119.29	57881.73	57092.77
Total expenses	54123.76	50228.40	54059.04	197999.30	182062.78
5. Profit before tax (3 - 4)	1181.22	3148.83	1272.11	4358.86	10849.03
6. Tax expense:					
Current tax	348.35	1890.28	(604.60)	2503.00	3202.67
Deferred tax	291.39	(780.19)	770.42	(1118.64)	(81.94)
Related to earlier year	(1724.14)	-	-	(1724.14)	-
7. Profit for the period (5 - 6)	2265.62	2038.74	1106.29	4698.64	7728.30
8. Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss	103.01	(30.76)	(224.14)	5.24	(99.70)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(35.11)	10.64	77.90	(1.91)	34.83
B (i) Items that will be reclassified to profit or loss	113.60	126.61	159.05	290.25	189.05
(ii) Income tax related to items that will be reclassified to profit or loss	(38.41)	(43.82)	(55.04)	(99.55)	(65.42)
Other Comprehensive Income for the year (net of tax)	143.09	62.67	(42.23)	194.03	58.76
9. Total Comprehensive Income for the period (7 + 8)	2408.71	2101.41	1064.06	4892.67	7787.06
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				285625.01	282880.46
12. Earnings per equity share of par value of Re. 1 each.					
(1) Basic (Rs.)	0.63	0.57	0.31	1.32	2.17
(2) Diluted (Rs.)	0.63	0.57	0.31	1.32	2.17



(Rs.in lakhs)		
STATEMENT OF STANDALONE ASSETS AND LIABILITIES		
Particulars	As at March 31, 2018	As at March 31, 2017
A. ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	160041.32	163486.48
(b) Capital work-in-progress	120177.59	120975.85
(c) Other Intangible assets	220.17	504.78
(d) Financial Assets		
(i) Investments	114597.02	114606.11
(ii) Trade receivables	128.40	108.56
(iii) Loans	2185.23	1211.80
(iv) Other financial assets	3649.47	3560.89
(e) Other non-current assets	422.42	624.67
Total Non-Current assets	401421.62	405079.14
(2) Current assets		
(a) Inventories	40832.84	43853.46
(b) Financial Assets		
(i) Investments	84.15	90.51
(ii) Trade receivables	55857.80	48352.04
(iii) Cash and cash equivalents	6790.37	26310.13
(iv) Bank balances other than (iii) above	13203.79	7037.29
(v) Loans	1685.64	1462.40
(vi) Other financial assets	11752.02	10974.56
(c) Other current assets	30553.32	34358.45
Total Current assets	160759.93	172438.84
Total Assets	562181.55	577517.98
B. EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	3569.55	3569.55
(b) Other Equity	285625.01	282880.46
Total Equity	289194.56	286450.01
LIABILITIES		
(1) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	84576.28	112720.27
(b) Provisions	1867.59	1956.16
(c) Deferred tax liabilities (Net)	27079.36	29820.68
(d) Other non-current liabilities	17973.08	20120.75
(e) Non-current Tax Liabilities (Net)	4219.00	3342.15
Total Non-current liabilities	135715.31	167960.01
(2) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	42055.21	59050.34
(ii) Trade payables	29646.00	20546.26
(iii) Other financial liabilities	30683.14	23999.79
(b) Other current liabilities	31484.40	15955.26
(c) Provisions	1920.46	2669.98
(d) Current Tax Liabilities (Net)	1482.47	886.33
Total Current liabilities	137271.68	123107.96
Total Equity and Liabilities	562181.55	577517.98



Notes:

1. The above financial results which have been prepared in accordance with Regulation 33 of the 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 15, 2018.
2. The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
3. 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 Pvt. Ltd. with the Company with effect from April 1, 2014 ("Appointed Date"). Mahadev Vyapaar Pvt. Ltd. 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.
4. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the 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 it's judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.15,31,76.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company before the Hon'ble High Court, the court had directed to Ministry of Commerce to expedite the matter and the matter is been pending before the court.
Pending acceptance of the Company's claim as above;

(i) Rs.12,88,84.11 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. 95,14.74 lakhs has been considered as other recoverable under current assets; and
(iii) Compensation of Rs. 83,12.34 lakhs so far received and net realisations against sale of assets, advances etc. amounting to Rs. 6,54.92 lakhs have been adjusted.

Disclosure as per Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.
5. In terms of the Hon'ble Supreme Court Order as referred above, North Dhadhu Coal Block, allotted in joint venture with other companies, has also been cancelled w.e.f. September 24, 2014. The Company barring initial contribution of Rs. 8,22.81 lakhs and company's share of bank guarantee amounting to Rs. 27,45.00 lakhs (encashment of which has been stayed by Hon'ble High Court of Jharkhand) has not made any further investments in the said joint venture company. In view of the management, the compensation to be received in terms of the The Coal Mines (Special Provision) Ordinance 2014, is expected to cover the cost incurred by the Joint Venture Company and thereby no adjustments requiring any impairment in value of such investment is required at this stage.
6. Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect expired on January 11, 2017. The Company filed a writ petition before the Hon'ble High Court 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, admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the Hon'ble High Court, Rs. 61,10.38 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.
7. The Company has an Investment of Rs. 6,05,92.88 lakhs in equity shares of Electrosteel Steels Limited (ESL), an associate company. ESL was referred to Hon'ble National Company Law Tribunal (NCLT) for Corporate Insolvency Resolution Process (CIRP). The Resolution Professional appointed by NCLT and the Committee of Creditors of ESL had approved a resolution plan, which has also been approved by NCLT, for the acquisition of ESL to a bidder which has been subsequently challenged by another bidder and status quo has been granted and the matter is pending before the Hon'ble National Company Law Appellate Tribunal (NCLAT). Pending decision of NCLAT and in absence of any communication of resolution plan as approved above, the Company's investment in ESL has been carried forward at its carrying value and no impairment in value thereof has been considered necessary. Further, Advances and Trade receivable amounting to Rs. 2,11,51.25 lakhs receivable from ESL along with mortgage of certain land & Building of the company situated at Elavur, Tamilnadu, in the favour of one of the lenders of ESL, has been carried forward at their carrying value in view of pendency of resolution proceedings.
8. Capital work in progress and security deposits includes a sum of Rs. 40,66.42 lakhs and Rs. 30.04 lakhs respectively towards construction of railway siding in Haldia, West Bengal. The railways authorities have withdrawn permission for the railways siding which is contested by the company. The company is also exploring alternate avenues to utilise the siding and hence carried at book value.
9. Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations and other expenses for the quarter/year ended March 31, 2018 are not comparable with the previous periods presented in the results. The impact of the same however is not significant.



10. Pre Goods & Service Tax (GST), the Company was enjoying certain benefits under Industrial Promotion scheme of state government. Post GST, pending notifications by the state government, on prudent basis, the company has not recognised any income under the scheme for the period July 01, 2017 to March 31, 2018.
11. Cost of material consumed includes Rs.49.78 lakhs for the quarter ended March 31, 2018, Rs.23,20.29 lakhs for preceding quarter ended December 31, 2017, Rs.37.38 lakhs for corresponding 3 month ended March 31, 2017, Rs.49,74.01 lakhs for year ended as on March 31, 2018 as against Rs.8,67.96 lakhs for corresponding year ended as on March 31, 2017 in relation to cost of goods sold for raw materials.
12. The figures for the quarters ended March 31, 2018 and March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year and the year to date upto 31st December of the respective years.
13. The Board of Directors have recommended a dividend of Re. 0.30 per share (i.e. 30 %), subject to approval of shareholders.
14. The listed non-convertible debentures of the Company aggregating Rs. 50,00.00 lakhs as on March 31, 2018 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, 2018

NCD Particulars	Present Rating	Previous Rating	Asset 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 A+ CARE BBB+	11.14	05.07.2017	Paid	N/A	N/A	05.07.2018	5,50.00	05.07.2018	50,00.00

(ii) **Other disclosures:**

Particular	31.03.2018	31.03.2017
Networth (Rs. in lakhs)*	28,91,94.56	28,64,50.01
Debenture Redemption Reserve (Rs. in lakhs)	62,50.00	62,50.00
Debt Equity Ratio	0.53	0.67
Debt Service Coverage ratio (DSCR)**	1.52	1.38
Interest Service Coverage Ratio (ISCR)***	1.52	1.88

* 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 - exchange loss related to interest cost

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

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

Kolkata
May 15, 2018



For ELECTROSTEEL CASTINGS LTD.

Umang Kejriwal

Umang Kejriwal
Managing Director
(DIN: 00065173)

Independent Auditor's Report on Consolidated Year to Date Results of Electrosteel Castings Limited pursuant to the regulation 33 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015.

To 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 31st March, 2018, 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 initiated 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 there under, 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 significantly estimates made by management. We believe that our audit provides a reasonable assurance basis for our opinion.

Basis for Qualified Opinion

3. Attention is drawn to the following notes of the accompanying consolidated Ind As financial results:
 - a) Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending acceptance of claim, disclosures as per Indian Accounting standard will be given effect on final settlement and the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.
 - b) Note No. 5 in respect of cancellation of North Dhadhu Coal block and non impairment in the value of the Investment and share of Bank guarantee in the Joint Venture Company, pending determination of the claim for compensation.
 - c) Note No. 7 in respect of Company's financial exposure of Rs. 817,44.13 lacs in Electrosteel Steels Limited (ESL), an associate company, along with mortgage of certain fixed assets of the company in favour of a Lender of ESL, which has been carried forward at their carrying value. Pending completion of resolution proceedings, no impairment has been provided in respect to above exposure and the impact of which is not presently ascertainable.

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



Qualified Opinion

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 consolidated financial results read with notes thereon:

i. Include the consolidated financial results for the year ended 31st March 2018 of:

Name of the Subsidiaries	
Electrosteel Trading S.A. Spain	Electrosteel Europe S.A.
Mahadev Vyapaar Private Limited	Electrosteel Algeria SPA
Electrosteel castings Gulf FZE	Electrosteel Castings (UK) Limited
Electrosteel Doha for Trading LLC	Electrosteel USA, LLC
Electrosteel Brasil Ltd. Tubos e Conexoes Duteis	WaterFab LLC (acquired 100% share capital through wholly owned subsidiary Electrosteel USA, LLC)
Electrosteel Bahrain Holding Company S.P.C	Electrosteel Bahrain Trading W.L.L (Subsidiary of Electrosteel Bahrain Holding Company S.P.C)
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 (refer note 8 below)

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/62/2016 dated July 5,2016, in this regard, and

iii. gives a true and fair view of the consolidated financial performance, total comprehensive income and other financial information for the Group for the year ended 31st March, 2018.

Other Matters:

Attention is drawn to the following:

5. We did not audit the financial statements of eleven subsidiaries companies (including two step down subsidiaries) included in the consolidated financial statements for the year ended 31st March, 2018, whose financial statements reflects total assets of Rs. 597,89.07 Lakhs as at 31st March, 2018 and total revenue of Rs. 665,09.15 Lakhs for the year ended on that date, as considered in the consolidated financial results. The statements also includes the Group's share of the net profit of Rs. 5857.54 Lakhs for the year ended 31st March, 2018, as considered in the statements, in respect of two associates and one joint venture company, 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.



6. As stated in Note No. 14 of the consolidated financial results, we did not audit the financial statements of one subsidiary company whose financial statements reflects total assets of Rs. 0.58 Lakhs as at 31st March 2018 and total revenue of Rs. 4.97 Lakhs for the year ended as on that date, as considered in the consolidated financial results. The aforesaid financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial results, in so far as related to the amounts and disclosures included in respect of the subsidiary is based solely on the unaudited financial statements. In our opinion and according to information and explanation given to us by the management, these financial statements are not material to the Group.
7. We have relied on the unaudited financial statements / financial information's of an associate "Electrosteel Steels Limited for the purpose of consolidation as required in terms of Ind AS-28 on "Investments in Associates and Joint Ventures". However in view of negative net worth of the associate based on its unaudited financial statements as on 31st March 2018, there is no impact on these consolidated financial statements. Our report in so far as it relates to the amounts included in respect to above consolidated financial statements is based solely on such unaudited financial statements.
8. As stated in Note No. 15 of the consolidated financial results, the financial statements of Domco Private Limited, a joint venture, has not been consolidated in these Consolidated Financial statements, due to non-availability of the Statements as required in terms of IND AS-28 on "Investments in Associates and Joint Ventures".
9. As stated in Note No. 8, the consolidated financial results for the year ended 31st March, 2017 have been restated by incorporating the required adjustment in the amount of non current investment and retained earnings as on 31st March 2017 as elaborated in the note. The financial statements for the year ended 31st March 2017 were adopted by the board of directors in their meeting held on 19th May 2017 and audited by the erstwhile auditor and they had issued their modified opinion vide their report dated 19th May 2017. These financial statements were approved by the members in their meeting held on 15th September 2017. There is no impact on the total comprehensive income for the year ended 31st March 2018 due to above restatement.
10. The comparative figure for year ended 31st March 2017 are based on the previously issued consolidated financial results prepared in accordance with the Ind As that were audited by the erstwhile auditors. The audit report dated 19th May 2017 on the audited consolidated financial results of the company for the year ended 31st March 2017 issued by erstwhile auditors expressed a modified opinion.

Our opinion is not modified in respect of above matters.

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




(Gopal Jain)

Partner
Membership No. 059147

Place: Kolkata
Dated: 15 May 2018

**ELECTROSTEEL CASTINGS LIMITED**

CIN: L27310OR1955PLC000310

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

Corporate Office: 19, Camac Street, Kolkata 700 017

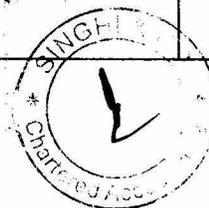
Website: www.electrosteelcastings.com

E-mail: companysecretary@electrosteel.com

(Rs.in lakhs)

STATEMENT OF CONSOLIDATED AUDITED RESULTS FOR THE YEAR ENDED 31/03/2018

Particulars		Year to date figures for current year ended 31/03/2018	Year to date figures for previous year ended 31/03/2017
		(Audited)	(Audited)
1.	Revenue From Operations	218595.10	211764.29
2.	Other Income	7994.57	10049.27
3.	Total income (1 + 2)	226589.67	221813.56
4.	EXPENSES		
	(a) Cost of materials consumed	87314.93	75872.28
	(b) Purchases of Stock-in-Trade	16783.27	12918.15
	(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(1101.68)	3590.07
	(d) Employee benefits expense	23727.03	23747.52
	(e) Finance costs	21027.73	21035.19
	(f) Depreciation and amortization expense	6240.11	6690.18
	(g) Other expenses	66145.61	66817.88
	Total expenses	220137.00	210671.27
5.	Profit before tax (3 - 4)	6452.67	11142.29
6.	Tax expense:		
	Current tax	2736.58	3422.12
	Deferred tax	(1120.93)	(42.64)
	Related to earlier year	(1724.14)	-
7.	Profit/(Loss) after tax (5-6)	6561.16	7762.81
	Add:-Share of Profit/(Loss) in Associates and Joint Venture	5857.54	6613.11
	Add:- Share of Unrealised Profit/(Loss) in Associates	-	31.44
8.	Profit/(Loss) for the year	12418.70	14407.36
9.	Profit/(Loss) for the year attributable to:		
	- Owners of the Parent	12402.88	14408.87
	- Non-Controlling Interest	15.82	(1.51)
10.	Other Comprehensive Income		
	A (i) Items that will not be reclassified to profit and loss	5.24	(99.70)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	(1.91)	34.83
	B (i) Items that will be reclassified to profit and loss	(787.78)	2306.01
	(ii) Income tax relating to items that will be reclassified to profit and loss	(99.55)	(65.42)
	C Share of Other Comprehensive Income in Associates	9.34	(3.34)
	Other Comprehensive Income for the period	(874.66)	2172.38
11.	Other Comprehensive Income for the year attributable to:		
	- Owners of the Parent	(875.22)	2171.78
	- Non-Controlling Interest	0.56	0.60
12.	Total Comprehensive Income for the period (8+10)	11544.04	16579.74
13.	Total Comprehensive Income for the year attributable to:		
	- Owners of the Parent	11527.66	16580.65
	- Non-Controlling Interest	16.38	(0.91)
14.	Paid-up equity share capital (Face value - Re. 1/-)	3569.55	3569.55
15.	Other equity excluding revaluation reserve	244301.58	234922.04
16.	Earnings per equity share of per value of Re. 1 each.		
	(1) Basic (Rs.)	3.47	4.04
	(2) Diluted (Rs.)	3.47	4.04



(Rs. In lakhs)

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

Particulars		As at March 31, 2018	As at March 31, 2017
A.	ASSETS		
	(1) Non-current assets		
	(a) Property, Plant and Equipment	167249.33	169890.61
	(b) Capital work-in-progress	120177.60	120975.85
	(c) Goodwill on consolidation	216.03	216.03
	(d) Other Intangible assets	301.82	571.62
	(e) Financial Assets		
	(i) Investments	63609.91	58910.03
	(ii) Trade receivables	128.40	108.56
	(iii) Loans	2222.64	1249.11
	(iv) Others	3649.47	3560.89
	(e) Other non-current assets	422.42	634.98
	Total Non-Current assets	357977.62	356117.68
	(2) Current assets		
	(a) Inventories	61001.79	62953.49
	(b) Financial Assets		
	(i) Investments	84.15	90.51
	(ii) Trade receivables	52492.06	45877.65
	(iii) Cash and cash equivalents	9305.77	28620.07
	(iv) Bank balances other than (iii) above	13203.79	7037.29
	(v) Loans	5129.72	5208.80
	(vi) Others	11752.01	10974.56
	(c) Other current assets	31334.06	35056.52
	Total Current assets	184303.35	195818.89
	Total Assets	542280.97	551936.57
B.	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	3569.55	3569.55
	(b) Other Equity	244301.58	234922.04
	(c) Non-Controlling Interest	37.72	21.34
	Total Equity	247908.85	238512.93
	LIABILITIES		
	(1) Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	84856.07	113497.38
	(b) Provisions	1871.59	1956.16
	(c) Deferred tax liabilities (Net)	27080.53	29824.15
	(d) Other non-current liabilities	18023.39	20120.75
	(e) Non-current Tax Liabilities (Net)	4219.00	3342.15
	Total Non-current liabilities	136050.58	168740.59
	(2) Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	54872.83	71925.83
	(ii) Trade payables	35610.00	27532.61
	(iii) Other financial liabilities	31081.99	24469.93
	(b) Other current liabilities	33039.58	17031.64
	(c) Provisions	2174.98	2821.37
	(d) Current Tax Liabilities (Net)	1542.16	901.67
	Total Current liabilities	158321.54	144683.05
	Total Equity and Liabilities	542280.97	551936.57



Notes:

- 1 The above consolidated financial results which have been prepared in accordance with Regulation 33 of the 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 15, 2018.
- 2 The Company operates mainly in one business segment viz. Pipes and all other activities revolve around the main business.
- 3 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 Pvt. Ltd. with the Company with effect from April 1, 2014 ("Appointed Date"). Mahadev Vyapaar Pvt. Ltd. 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.
- 4 In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the Order, allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, had been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till March 31, 2015. Accordingly, the 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.15,31,76.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company before the Hon'ble High Court, the court had directed to Ministry of Commerce to expedite the matter and the matter has been pending before the court.
Pending acceptance of the Company's claim as above;
(i) Rs.12,88,84.11 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. 95,14.74 lakhs has been considered as other recoverable under current assets; and
(iii) Compensation of Rs. 83,12.34 lakhs so far received and net realisations against sale of assets, advances etc. amounting to Rs. 6,54.92 lakhs have been adjusted.
Disclosure as per Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.
- 5 In terms of the Hon'ble Supreme Court Order as referred above, North Dhadhu Coal Block, allotted in joint venture with other companies, has also been cancelled w.e.f. September 24, 2014. The Company barring initial contribution of Rs. 8,22.81 lakhs and company's share of bank guarantee amounting to Rs. 27,45.00 lakhs (encashment of which has been stayed by Hon'ble High Court of Jharkhand) has not made any further investments in the said joint venture company. In view of the management, the compensation to be received in terms of the The Coal Mines (Special Provision) Ordinance 2014, is expected to cover the cost incurred by the Joint Venture Company and thereby no adjustments requiring any impairment in value of such investment is required at this stage.
- 6 Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect expired on January 11, 2017. The Company filed a writ petition before the Hon'ble High Court 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, admitted the said petition and fixed the case for further hearing and adjudication. Pending decision of the Hon'ble High Court, Rs. 61,10.38 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.
- 7 The company has an Investment of Rs. 6,05,92.88 lakhs in equity shares of Electrosteel Steels Limited (ESL), an associate company. ESL was referred to Hon'ble National Company Law Tribunal (NCLT) for Corporate Insolvency Resolution Process (CIRP). The Resolution Professional appointed by NCLT and the Committee of Creditors of ESL had approved a resolution plan, which has also been approved by NCLT, for the acquisition of ESL to a bidder which has been subsequently challenged by another bidder and status quo has been granted and the matter is pending before the Hon'ble National Company Law Appellate Tribunal (NCLAT). Pending decision of NCLAT and in absence of any communication of resolution plan as approved above, the Company's investment in ESL has been carried forward at its carrying value and no impairment in value thereof has been considered necessary. Further, Advances and Trade receivable amounting to Rs. 2,11,51.25 lakhs receivable from ESL along with mortgage of certain land & Building of the company situated at Elavur, Tamilnadu, in the favour of one of the lenders of ESL, has been carried forward at their carrying value in view of pendency of resolution proceedings.

The management certified financial statements of "Electrosteel Steels Limited (ESL)" have been considered for the purpose of the consolidated financial result.
- 8 The Company had carried out the impact of Ind As transition from 01st April 2015. While carrying out the impact of Ind As as 01st April 2015, the fair value of Investments in one of the associate "Srikalahasthi Pipes Limited" was inadvertently considered excess by Rs. 2,51,48.03 lakhs in comparison to value of same investment considered in Standalone account as on 01st April 2015 and carried forward till 31st March 2017. The consolidated financial statement for the year ended 31st March, 2017, were adopted by the board and approved by the members. The Company has restated the consolidated financial statement for the year 31st March, 2017 by incorporating the required adjustment and consequently the value of Non-current investment and retained earnings as on 31st March 2017 has been reduced by such amount. There is no impact on the total comprehensive income for the year ended 31st March 2018. The statutory auditors have drawn attention without qualifying their opinion in their audit report.
- 9 Capital work in progress and security deposits includes a sum of Rs. 40,66.42 lakhs and Rs. 30.04 lakhs respectively towards construction of railway siding in Haldia, West Bengal. The railways authorities have withdrawn permission for the railways siding which is contested by the Company. The Company is also exploring alternate avenues to utilise the siding and hence carried at book value.
- 10 Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations and other expenses for the quarter/year ended March 31, 2018 are not comparable with the previous periods presented in the results. The impact of the same however is not significant.
- 11 Pre Goods & Service Tax (GST), the Company was enjoying certain benefits under Industrial Promotion scheme of state government. Post GST, pending notifications by the state government, on prudent basis, the company has not recognised any income under the scheme for the period July 01, 2017 to March 31, 2018.



- 12 Cost of material consumed includes Rs.49.78 lakhs for the quarter ended March 31, 2018, Rs.23,20.29 lakhs for preceding quarter ended December 31, 2017, Rs.37.38 lakhs for corresponding 3 month ended March 31, 2017, Rs.49,74.01 lakhs for year ended as on March 31, 2018 as against Rs.8,67.96 lakhs for corresponding year ended as on March 31, 2017 in relation to cost of goods sold for raw materials.
- 13 The Board of Directors have recommended a dividend of Re. 0.30 per share (i.e. 30%), subject to approval of shareholders.
- 14 The financial statements of Electrosteel Brasil Ltda.Tubos e Conexoes Duteis, a subsidiary company for the year ended 31st March,2018 has not been subjected to audit by their auditor
- 15 The Company has investment of Rs. 30 lakhs in equity shares and given advance of Rs. 7,00 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"
- 16 Previous periods' figures have been regrouped/rearranged wherever necessary.

Kolkata
May 15, 2018



For ELECTROSTEEL CASTINGS LTD.

Umang Kejriwal
Umang Kejriwal
Managing Director
(DIN: 00065173)