LODHA
& CO
Chartered Accountants

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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 2015 ('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 the following notes of the accompanying results:

    a. Note No. 4(a) dealing with cancellation of coal blocks allotted to the company and the resultant amount of the claim for compensation along with interest thereon and consequential adjustments arising in this respect.
    b. Note no. 4(b) regarding non-provision of diminution 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. 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 Accounting Standards specified under 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.

LODHA & CO. KOLKATA Chartered Accountants

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

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

Place: Kolkata
Date: 5th November 2015

ELECTROSTEEL CASTINGS LIMITED
CIN: L27310OR1955PLC000310
Registered Office : Rathod Colony, P. O. Rajgangpur, Sundergarh, Odisha 770 017
Tel. No.: 066 2422 0332; Fax: 066 2422 0332
Corporate Office: 19, Camac Street, Kolkata 700 017
Website: www.electrosteel.com
E-mail: companysecretary@electrosteel.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2015

(Rs. in lakhs)

PART I

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	**Income from operations**						
	(a)Net sales/income from operations (net of excise duty)	**43838.85**	46981.75	50993.57	**90820.60**	95264.43	208724.22
	(b)Other operating income	**973.07**	921.37	2521.86	**1894.44**	4089.41	6653.67
	Total income from operations (net)	**44811.92**	47903.12	53515.43	**92715.04**	99353.84	215377.89
2.	**Expenses**						
	(a)Cost of materials consumed	**21638.39**	23351.03	26223.47	**44989.42**	50090.15	103726.82
	(b)Purchases of stock-in-trade	**1053.50**	1834.76	4509.41	**2888.26**	6470.93	8653.10
	(c)Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(2474.13)**	(1087.01)	(4839.71)	**(3561.14)**	(9341.12)	509.27
	(d)Employee benefits expense	**4585.04**	4177.64	4243.20	**8762.68**	8031.44	15990.67
	(e)Depreciation and amortisation expense	**1602.09**	1575.12	1819.50	**3177.21**	3478.82	6743.00
	(f)Other expenditure	**13648.86**	13498.98	16349.74	**27147.84**	30501.10	58670.89
	Total expenses	**40053.75**	43350.52	48305.61	**83404.27**	89231.32	194293.75
3.	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	**4758.17**	4552.60	5209.82	**9310.77**	10122.52	21084.14
4.	Other Income	**676.02**	1099.75	631.87	**1775.77**	1566.88	3081.13
5.	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)**	**5434.19**	5652.35	5841.69	**11086.54**	11689.40	24165.27
6.	Finance costs	**4334.49**	3942.69	4136.30	**8277.18**	7079.90	14531.62
7.	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)**	**1099.70**	1709.66	1705.39	**2809.36**	4609.50	9633.65
8.	Tax expense	**70.48**	522.08	427.49	**592.56**	1355.20	2366.49
9.	**Net Profit / (Loss) from ordinary activities after tax (7 - 8)**	**1029.22**	1187.58	1277.90	**2216.80**	3254.30	7267.16
10.	Paid-up equity share capital (Face value - Re. 1/-)	**3569.55**	3569.55	3569.55	**3569.55**	3569.55	3569.55
11.	Reserves excluding revaluation reserve as per balance sheet of previous accounting year						192831.12
12.	Earnings per share (EPS) for the period, before and after extraordinary items and for the previous year (not annualized):						
	Basic (Rs.)	**0.29**	0.33	0.36	**0.62**	0.92	2.05
	Diluted (Rs.)	**0.29**	0.33	0.36	**0.62**	0.92	2.05
13.	Debt Service Coverage Ratio (DSCR)*				**0.48**	1.23	1.43
14.	Interest Service Coverage Ratio (ISCR)**				**1.46**	1.87	1.83

*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

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A	PARTICULARS OF SHAREHOLDING						
1.	Public shareholding						
	- Number of shares	**167723950**	167723950	165317718	**167723950**	165317718	165625950
	- Percentage of shareholding	**46.99%**	46.99%	46.31%	**46.99%**	46.31%	46.40%
2.	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	-Number of shares	**32675270**	32675270	32675270	**32675270**	32675270	32675270
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	**17.27%**	17.27%	17.27%	**17.27%**	17.27%	17.27%
	-Percentage of shares (as a % of the total share capital of the company)	**9.15%**	9.15%	9.15%	**9.15%**	9.15%	9.15%
	b) Non - encumbered						
	-Number of shares	**156551102**	156551102	156549102	**156551102**	156549102	156549102
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	**82.73%**	82.73%	82.73%	**82.73%**	82.73%	82.73%
	-Percentage of shares (as a % of the total share capital of the company)	**43.86%**	43.86%	43.86%	**43.86%**	43.86%	43.86%

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	Particulars	3 months ended 30.09.2015
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	**Nil**
	Received during the quarter	**2**
	Disposed off during the quarter	**2**
	Remaining unresolved at the end of the quarter	**Nil**

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

	Particulars	30.09.2015 (Unaudited)	31.03.2015 (Audited)
A	**EQUITY AND LIABILITIES**		
	Shareholders' funds		
	(a) Share capital	**3569.55**	3569.55
	(b) Reserves and surplus	**249125.89**	246909.09
	Sub total - Shareholders' funds	**252695.44**	250478.64
	Non-current liabilities		
	(a) Long-term borrowings	**119172.02**	128437.59
	(b) Deferred tax liabilities (net)	**2987.49**	3086.72
	(c) Other long-term liabilities	**193.81**	82.71
	(d) Long-term provisions	**1316.88**	1298.62
	Sub total - Non-current liabilities	**123670.20**	132905.64
	Current liabilities		
	(a) Short-term borrowings	**86160.29**	81019.45
	(b) Trade payables	**16796.41**	21944.97
	(c) Other current liabilities	**38904.29**	51943.97
	(d) Short-term provisions	**6618.82**	7892.06
	Sub total - Current liabilities	**148479.81**	162800.45
	TOTAL - EQUITY AND LIABILITIES	**524845.45**	546184.73
B	**ASSETS**		
	Non-current assets		
	(a) Fixed assets	**238726.66**	238721.28
	(b) Non-current investments	**125863.97**	125863.97
	(c) Long-term loans and advances	**2106.84**	2134.07
	(d) Other non-current assets	**351.66**	339.68
	Sub total - Non-current assets	**367049.13**	367059.00
	Current assets		
	(a) Current investments	**411.40**	715.46
	(b) Inventories	**43917.20**	49578.56
	(c) Trade receivables	**56206.02**	58034.76
	(d) Cash and cash equivalents	**6335.11**	21022.42
	(e) Short-term loans and advances	**34655.13**	36512.74
	(f) Other current assets	**16271.46**	13261.79
	Sub total - Current assets	**157796.32**	179125.73
	TOTAL - ASSETS	**524845.45**	546184.73

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ELECTROSTEEL CASTINGS LTD.

Notes:

1. The above financial results , as reviewed by Audit Committee, were approved by the Board of Directors at their meeting held on November 5, 2015.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. The Board of Directors of the Company has approved the Scheme of Amalgamation (the Scheme) of its wholly owned subsidiary, Mahadev Vyapar Private Limited with the Company with effect from April 01, 2014. No effect of the Scheme pending necessary approvals etc. has been given in the Financial Statements.

4. 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.1,2,8884.11 lakhs incurred pertaining to coal block including balances of advances, inventory,land and other fixed assets till March 31, 2015 have been carried forward under capital work in progress and other respective heads of accounts and (ii) Interest and other finance cost for the period from April 01, 2015 onwards against the fund borrowed in this respect amounting to Rs.6,185.53 lakhs has been considered as recoverable under current assets.
   The matter being subjudice the amount of compensation are presently not ascertainable and consequential adjustments in this respect will be given effect to on ascertainment of the amounts thereof.

   b) 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 Companies and thereby no dimunition in value of such investment is expected to arise and accordingly no provision has been considered necessary by the management.

5. The Joint Lender Forum (JLF) in case of Electrosteel Steels Limited, an associate company has since approved "in principle" the decision for the invocation of Strategic Debt Structuring (SDR) in terms of RBI Guidelines and among other things is exploring the Investment proposals in the said company. The Company's investment being strategic in nature, pending implementation of these measures have been continued to be carried at cost.

6. Subsequent to this Quarter, Electrosteel Bahrain Holding S.P.C. Company, a wholly owned subsidiary of the Company has formed Electrosteel Bahrain Trading W.L.L incorporated in Bahrain, a step down wholly owned subsidiary.

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

For ELECTROSTEEL CASTINGS LIMITED

LODHA & CO. KOLKATA Chartered Accountants

Mayank Kejriwal
Joint Managing Director

Kolkata
November 5, 2015