



# ELECTROSTEEL CASTINGS LIMITED

G. K. TOWER, 19 CAMAC STREET, KOLKATA-700 017 (INDIA)  
TEL : Board Number 91-33-22839990, 40090600  
Fax : (Directors) 91-33-22894336, (Sales) 91-33-22894337, (Export) 91-33-22894338, (Finance) 91-33-22894339,  
CIN - L27310OR1955PLC000310  
E-mail Id: companysecretary@electrosteel.com

10 December 2016

## BSE Limited

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

## National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,  
Bandra (E),  
Mumbai – 400 051

Scrip Code: **500128**

Symbol: **ELECTCAST**

Dear Sir/Madam,

### Sub: Outcome of Meeting of the Board of Directors of the Company held on 10 December 2016

This is to inform you that the Board of Directors at their meeting held today, have inter-alia approved the Unaudited Standalone Financial Results of the Company for the quarter and half year ended 30 September 2016.

Further pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Board has in addition to Mr. Mahendra Kumar Jalan, Whole-time Director of the Company authorised Mr. Brij Mohan Soni, Chief Financial Officer of the Company to determine the materiality of an event or information for making disclosures to the stock exchange(s).

The contact details of the aforesaid authorised personnel are given below:

Mr. Mahendra Kumar Jalan  
Whole-time Director,  
Electrosteel Castings Limited  
G. K. Tower, 19 Camac Street,  
Kolkata 700 017  
Email: companysecretary@electrosteel.com  
Phone: +91 33 2283 9990

Mr. Brij Mohan Soni  
Chief Financial Officer,  
Electrosteel Castings Limited  
G. K. Tower, 19 Camac Street,  
Kolkata 700 017  
Email: companysecretary@electrosteel.com  
Phone: +91 33 2283 9990



Website : [www.electrosteel.com](http://www.electrosteel.com)  
Regd. Office : **Rajgangpur, Odisha**



FM : 46346



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In compliance with provisions of Regulation 33, 52 and other applicable provisions of Listing Regulations, 2015, please find enclosed the following documents:

- i. Unaudited Standalone Financial Results for the quarter and half year ended 30 September 2016 and Limited Review Report thereon;
- ii. Certificate of the Debenture Trustee required under Regulation 52(5) of SEBI Listing Regulations.

Time of Commencement of Meeting: 1100 Hours

Time of Conclusion of Meeting: 1230 Hours

This is for your information and records.

Thanking you,

Yours faithfully,

**For Electrosteel Castings Limited**

**Subhra Giri Patnaik**

**Company Secretary**

**ICSI: F6490**

Encl: a/a



Website : [www.electrosteel.com](http://www.electrosteel.com)  
Regd. Office : **Rajgangpur, Odisha**



FM : 45346

**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 30<sup>th</sup> 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 5<sup>th</sup> 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: 10<sup>th</sup> 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

Registered Office : Rathod Colony, P. O. Rajgangpur, Sundergarh, Odisha 770 017  
Tel. No.:+91 066 2422 0332; Fax:+91 066 2422 0332  
Corporate Office: 19, Camac Street, Kolkata 700 017  
Website: www.electrosteelcastings.com  
E-mail: companysecretary@electrosteel.com

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)
<b>1. Income from operations</b>					
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
<b>Total income from operations (net)</b>	<b>43905.23</b>	<b>42089.63</b>	<b>44811.92</b>	<b>85994.86</b>	<b>92715.04</b>
<b>2. Expenses</b>					
(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
<b>Total expenses</b>	<b>36864.61</b>	<b>36618.07</b>	<b>40894.20</b>	<b>73482.68</b>	<b>85754.41</b>
<b>3. Profit / (Loss) from operations before other income, finance costs (1-2)</b>	<b>7040.62</b>	<b>5471.56</b>	<b>3917.72</b>	<b>12512.18</b>	<b>6960.63</b>
<b>4. Other Income</b>	<b>1744.60</b>	<b>709.85</b>	<b>1186.01</b>	<b>2454.45</b>	<b>2818.28</b>
<b>5. Profit / (Loss) from ordinary activities before finance costs (3 + 4)</b>	<b>8785.22</b>	<b>6181.41</b>	<b>5103.73</b>	<b>14966.63</b>	<b>9778.91</b>
<b>6. Finance costs</b>	<b>4391.68</b>	<b>4617.10</b>	<b>4393.06</b>	<b>9008.78</b>	<b>8373.18</b>
<b>7. Profit / (Loss) from ordinary activities after finance costs but before tax (5 - 6)</b>	<b>4393.54</b>	<b>1564.31</b>	<b>710.67</b>	<b>5957.85</b>	<b>1405.73</b>
<b>8. Tax expense</b>	<b>1179.88</b>	<b>557.45</b>	<b>(47.83)</b>	<b>1737.33</b>	<b>106.79</b>
<b>9. Net Profit / (Loss) from ordinary activities after tax (7 - 8)</b>	<b>3213.66</b>	<b>1006.86</b>	<b>758.50</b>	<b>4220.52</b>	<b>1298.94</b>
<b>10. Other Comprehensive Income after Tax</b>	<b>5.17</b>	<b>(0.36)</b>	<b>(15.42)</b>	<b>4.81</b>	<b>(30.84)</b>
<b>11. Total Comprehensive Income after tax (9 + 10)</b>	<b>3218.83</b>	<b>1006.50</b>	<b>743.08</b>	<b>4225.33</b>	<b>1268.10</b>
<b>12. Paid-up equity share capital (Face value - Re. 1/-)</b>	<b>3569.55</b>	<b>3569.55</b>	<b>3569.55</b>	<b>3569.55</b>	<b>3569.55</b>
<b>13. Earnings Per Share (EPS) of Re. 1 each (not annualised):</b>					
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
<b>ASSETS</b>		
1	<b>Non-current assets</b>	
	(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
		<b>358,685.41</b>
2	<b>Current assets</b>	
	(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
		<b>148,310.48</b>
	<b>Total Assets</b>	<b>506,995.89</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
	(a) Equity Share capital	3,569.55
	(b) Other Equity	241,119.47
		<b>244,689.02</b>
<b>Liabilities</b>		
1	<b>Non-current liabilities</b>	
	(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
		<b>136,648.92</b>
2	<b>Current liabilities</b>	
	(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
		<b>125,657.95</b>
	<b>Total Equity and Liabilities</b>	<b>506,995.89</b>



**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.



9. Reconciliation between financial results, as previously reported (referred to as "Previous GAAP") and IND-AS for the quarter and half year ended September 30, 2015 are presented as under:

(Rs. In lakhs)

Particulars	3 months ended in the previous year 30/09/2015	Year to date figures for previous period ended 30/09/2015
Net profit under previous GAAP	1029.22	2216.80
Adjustment for amount recognised in other comprehensive income	23.58	47.16
Effect on fair valuation of forward/ derivative contract	(358.62)	(1365.80)
Finance Costs as per Effective Interest Rate method	(15.65)	(49.27)
Others	(38.34)	(35.72)
Effect of Taxes on above	118.31	485.77
<b>Net Profit for the period under IND-AS</b>	<b>758.50</b>	<b>1298.94</b>
Other Comprehensive Income (net of taxes)		
Actuarial gain/ (loss) on Employees defined benefit	(15.42)	(30.84)
<b>Total Comprehensive Income under IND-AS</b>	<b>743.08</b>	<b>1268.10</b>

10. The listed non-convertible debentures of the Company aggregating Rs. 5000.00 lakhs as on September 30, 2016 are fully secured against Company's fixed assets other than assets at Chennai and Elavur.

11. Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements 2015), are given below in respect of Non Convertible Debentures (NCD's) pertaining to the Company as on September 30, 2016

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 AA-CARE BBB+	BWR AA-CARE A	9.96	05/07/16	Paid	N/A	N/A	05/07/17	550.00	05/07/18	5000
10.75% NCD	N/A	CARE A	1.41	07/09/16	Paid	07/09/16	Paid	N/A	N/A	N/A	N/A

(ii) Other disclosures:

Particulars	As at September 30, 2016
Debenture Redemption Reserve (Rs. in lakhs)	3260.00
Debt Equity Ratio	0.91
Debt Service Coverage ratio (DSCR)*	1.34
Interest Service Coverage Ratio (ISCR)**	1.74

\*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

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

For ELECTROSTEEL CASTINGS LTD.



Umang Kejriwal  
Managing Director  
(DIN: 00065173)

Kolkata  
December 10, 2016





ATSL/CO/16-17/3838  
December 10, 2016

To,  
**Electrosteel Castings Limited**  
G.K.Tower, 19 Camac Street,  
Kolkata - 700017

**Kind Attention: Mr. Gaurav Somani**

**Sub: Letter of Debenture Trustee pursuant to Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015**

Dear Sir,

This has reference to the Privately Placed, Secured, Redeemable, Non-Convertible Debentures issued by Electrosteel Castings Limited ("Company") and listed on the NSE ("Listed Debt Securities").

Pursuant to Regulation 52(4) read with Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the Company is required to submit its half yearly/annual financial results to the Stock Exchange, with a letter of the Debenture Trustee (Axis Trustee Services Limited) that the Debenture Trustee has noted the contents furnished by the Company in terms of Regulation 52(4).

In pursuance thereof we hereby confirm that we have received the said information vide your letter dated December 10, 2016 (enclosed herewith) and we have noted the contents in respect of the Listed Debt Securities issued by the Company.

Further please note that we have not independently verified the contents submitted vide your above letter and the aforesaid noting is subject to the following:

1. The Debenture Trustee is relying on the information/status as submitted by the company for the purpose of submission to the Stock Exchange; without reconfirming.
2. Any commitment pertaining to the interest /principal payable on the future due dates are sole commitment on the company's part and Trustee is not liable in any manner if company fails to fulfill / does not fulfill its commitments.

Thanking You,

Yours Faithfully  
For **Axis Trustee Services Limited**

  
**Authorised Signatory**

**AXIS TRUSTEE SERVICES LTD.**

*(A wholly owned subsidiary of Axis Bank)*

Corporate Identity Number (CIN): U74999MH2008PLC182264

CORPORATE & REGISTERED OFFICE : Axis House, Ground Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

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