



# 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

27 August 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 Sirs,

### Sub: Outcome of Meeting of the Board of Directors of the Company held on 27 August 2016

This is to inform you that the Board of Directors at their meeting held today, have inter-alia approved the following:

1. Unaudited Standalone Financial Results of the Company for the quarter ended 30 June 2016.
2. The proposal for premature redemption of 3rd instalment of 10.75% Non-Convertible Debentures of the Company, subject to the acceptance of the terms and conditions by the Debenture holder(s).

In compliance with provisions of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Unaudited Standalone Financial Results of the Company for the quarter ended 30 June 2016 along with a copy of Limited Review Report of Auditors' thereon.

Time of Commencement of Meeting: 1040 Hours

Time of Conclusion of Meeting: 1235 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 ended on 30<sup>th</sup> June 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, 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. 6(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 alongwith 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. 6(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.
  - 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 Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 and other recognised 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Kolkata  
Date: 27<sup>th</sup> August 2016For Lodha & Co.  
Chartered Accountants  
Firm's ICAI Registration No.:301051E*R.P. Singh*  
R P Singh  
Partner  
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 Lakh)

**STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED 30/06/2016**

| Particulars   | 3 months ended<br>30/06/2016 | Corresponding 3 months ended in<br>the previous year<br>30/06/2015 |
|---|------------------------------|--|
|   | (Unaudited)                  | (Unaudited)  |
| <b>1. Income from Operations</b>  |                              |  |
| Net Sales/Income from operations  | 42149.38                     | 48376.81   |
| Less: Excise Duty   | 941.54                       | 1395.06  |
| (a) Net Sales/Income from Operations (Net of excise duty)                                     | 41207.84                     | 46981.75   |
| (b) Other Operating Income  | 881.79                       | 921.37   |
| <b>Total Income from Operations (net)</b>   | <b>42089.63</b>              | <b>47903.12</b>  |
| <b>2. Expenses</b>  |                              |  |
| (a) Cost of materials consumed  | 14945.20                     | 23351.03   |
| (b) Purchases of stock-in-trade   | 1825.38                      | 1834.76  |
| (c) Changes in inventories of finished goods,<br>work-in-progress and stock-in-trade          | 2201.41                      | (1087.01)  |
| (d) Employee benefits expense   | 4203.56                      | 4154.06  |
| (e) Depreciation and amortisation expense   | 1568.42                      | 1575.19  |
| (f) Other expenses  | 11874.10                     | 15032.18   |
| <b>Total Expenses</b>   | <b>36618.07</b>              | <b>44860.21</b>  |
| <b>3. Profit / (Loss) from operations before other income, finance costs (1-2)</b>            | <b>5471.56</b>               | <b>3042.91</b>   |
| <b>4. Other Income</b>  | <b>709.85</b>                | <b>1632.27</b>   |
| <b>5. Profit / (Loss) from ordinary activities before finance costs (3 + 4)</b>               | <b>6181.41</b>               | <b>4675.18</b>   |
| <b>6. Finance costs</b>   | <b>4617.10</b>               | <b>3980.12</b>   |
| <b>7. Profit / (Loss) from ordinary activities after finance costs but before tax (5 - 6)</b> | <b>1564.31</b>               | <b>695.06</b>  |
| <b>8. Tax expense</b>   | <b>557.45</b>                | <b>154.62</b>  |
| <b>9. Net Profit / (Loss) from ordinary activities after tax (7 - 8)</b>                      | <b>1006.86</b>               | <b>540.44</b>  |
| <b>10. Other Comprehensive Income after Tax</b>   | <b>(0.36)</b>                | <b>(15.42)</b>   |
| <b>11. Total Comprehensive Income after Tax (9+10)</b>  | <b>1006.50</b>               | <b>525.02</b>  |
| <b>12. Paid-up equity share capital (Face value - Re. 1/-)</b>                                | <b>3569.55</b>               | <b>3569.55</b>   |
| <b>13. Earnings Per Share (EPS) of Re.1 each (not annualised):</b>                            |                              |  |
| Basic (Rs.)   | 0.28                         | 0.15   |
| Diluted (Rs.)   | 0.28                         | 0.15   |



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**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 the Audit Committee and approved by the Board of Directors at their meeting held on August 27, 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 of the previous year (transition date being April 1, 2015) has accordingly been restated.

3. 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 05, 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.

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

5. The Board of Directors of the Company in its meeting held on August 11, 2014 has 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"). 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 Pvt. Ltd. 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.

6. (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 judgment 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. 11556.57 lakhs (including Rs.2141.79 lakhs for the quarter ended 30th June 2016) has been considered as other recoverable under current assets.

(iii) Compensation of Rs.2095.25 lakhs received till 30th June 2016 (part compensation) and earlier 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 are 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 Companies and thereby no impairment requiring any adjustments in value of such investment is expected to arise.

7. 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.

8. Adjustments consequent to adoption of IND-AS as given in note 2 with respect to Investments does not have any impact on the results for the quarter.

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

| Particulars  | Rs. in Lakh<br>(Refer note 2) |
|--|-------------------------------|
| Net profit under previous GAAP                                 | 1187.58                       |
| Adjustment for amount recognised in other comprehensive income | 23.58                         |
| Effect on fair valuation of forward / derivative contract      | (1007.18)                     |
| Finance Costs as per Effective Interest Rate method            | (33.62)                       |
| Others   | 2.62                          |
| Effect of Taxes on above                                       | 367.46                        |
| <b>Net Profit for the period under IND-AS</b>                  | <b>540.44</b>                 |
| <b>Other Comprehensive Income (net of taxes)</b>               |                               |
| Actuarial gain/ (loss) on Employees defined benefit            | (15.42)                       |
| <b>Total Comprehensive Income under IND-AS</b>                 | <b>525.02</b>                 |

10. The listed non-convertible debentures of the Company aggregating Rs. 9080.00 lakhs as on June 30, 2016 are fully secured against Company's fixed assets other than assets at Chennai and Elavur.

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

For ELECTROSTEEL CASTINGS LTD.

Umang Kejriwal  
Managing Director  
(DIN: 00065173)

Kolkata  
August 27, 2016

