



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

5 October 2016

National Stock Exchange of India Limited

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

Symbol: ELECTCAST

Dear Sir/Madam,

Sub: Submission of Statement on Impact of Audit Qualifications for the Financial Year 2014-15

This has reference to your e-mail dated 5 August 2016, directing the Company to submit 'Statement on Impact of Audit Qualifications' for the Financial Year 2014-15. In compliance with the same, please find enclosed the 'Statement on Impact of Audit Qualifications' for the Financial Year 2014-2015 for both Standalone and Consolidated Financial Statements of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For Electrosteel Castings Limited

Subhra Giri Patnaik
Company Secretary
FCS 6490



Website : www.electrosteel.com
Regd. Office : Rajgangpur, Odisha



FM : 45346

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along- with Annual Standalone Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2015 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	218459.02	Not Ascertainable
	2.	Total Expenditure	208825.37	
	3.	Net Profit/(Loss)	7267.16	
	4.	Earnings Per Share	2.05	
	5.	Total Assets	546184.73	
	6.	Total Liabilities	295706.09	
	7.	Net Worth	192252.39	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	a. Details of Audit Qualification: Attention has been drawn by the Auditors' under Basis for Qualified Opinion of the Auditors' Report to the following notes of the financial statement for the year ended 31 st March 2015 - (i) Note No. 2.33.a of the financial statements dealing with cancellation of coal blocks allotted to the company and accounting being followed in this respect and resultant amount of the claim for compensation and consequential adjustments thereof presently not being ascertained and given effect to, pending decision of the court on the matter. (ii) Note No. 2.33.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 Dhadhu Coal Block. Impact with respect to (i) and (ii) are presently not ascertainable and as such cannot be commented upon by us			
	b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion: Qualified Opinion			
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: Appeared First time			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable			

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) **Management's estimation on the impact of audit qualification:**
Not Ascertainable

(ii) **If management is unable to estimate the impact, reasons for the same:**

With regard Para II(a)(i):

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.

As stated in Note No. 2.33.a of the financial statements,

The claim for compensation amounting to Rs 122071 lakhs till March 31, 2014 and Rs 6813.11 lakh during the year till handing over the mines is yet to be received by the company. The Company pending acceptance and recovery of the claim, has filed a petition before the Hon'ble High Court at Delhi, decision whereof is awaited on this date.

Pending decision of the Court, the accounting policy hitherto followed pertaining to the coal mines has been continued during the year. Consequently, amount incurred for the coal block till March 31, 2014 as well as those incurred thereafter during the year after setting off income, stocks etc. there against has been continued to be capitalized as capital work in progress and various balances under advances, fixed assets etc. has been continued to be so classified.

Pending decision of Hon'ble High Court on the matter, amount recoverable as compensation are presently not ascertainable and consequential adjustment in this respect will be given effect to on ascertainment of the amounts thereof.

With regard Para II(a)(ii):

In terms of the 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 the joint venture company. In view of the management as stated in Note 2.33.b, 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 diminution in value of such investment is expected to arise and accordingly no provision has been considered necessary by the management.

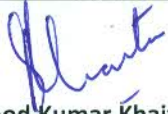
(iii) **Auditors' Comments on (i) or (ii) above:**

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the management and as such cannot be commented upon by the Auditors.



III.

Signatories:

CEO/Managing Director	 Umang Kejriwal Managing Director
CFO	 Brij Mohan Soni Chief Financial Officer
Audit Committee Chairman	 Binod Kumar Khaitan Audit Committee Chairman
Statutory Auditor	 For Lodha & Co Chartered Accountants Firm's ICAI Registration No: 301051E  R.P.Singh (Partner) Membership No: 52438

Place: Kolkata

Date: 5 October 2016

ANNEXURE I

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-
with Annual Consolidated Audited Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2015

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs in Lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	246400.86	Not Ascertainable
	2.	Total Expenditure	232049.59	
	3.	Net Profit/(Loss)	(11608.90)	
	4.	Earnings Per Share	(3.27)	
	5.	Total Assets	521769.63	
	6.	Total Liabilities	314749.92	
	7.	Net Worth	148773.97	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	a. Details of Audit Qualification: Attention has been drawn by the Auditors' under Basis for Qualified Opinion of the Auditors' Report to the following notes of the consolidated financial statement for the year ended 31 st March 2015 - (i) Note No. 2.33.a of the consolidated financial statements dealing with cancellation of coal blocks allotted to the Holding company and accounting being followed in this respect and the resultant amount of the claim for compensation and consequential adjustments thereof presently not being ascertained and given effect to, pending decision of the court on the matter. (ii) Note No. 2.33.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 Dhadhu Coal Block. Impact with respect to Point (a) and (b) are presently not ascertainable and as such cannot be commented upon by us			
	b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion: Qualified Opinion			
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing: Appeared first time			

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**
Not Applicable

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

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(iii) **Auditors' Comments on (i) or (ii) above:**

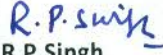
As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the management and as such cannot be commented upon by the Auditors.

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III.

Signatories:

CEO/Managing Director	 Umang Kejriwal Managing Director
CFO	 Brij Mohan Soni - Chief Financial Officer
Audit Committee Chairman	 Binod Kumar Khaitan Audit Committee Chairman
Statutory Auditor	 For Lodha & Co Chartered Accountants Firm's ICAI Registration No: 301051E  R.P.Singh (Partner) Membership No: 52438

Place: Kolkata

Date: 5 October 2016