

B S R & Co. LLP

Chartered Accountants

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The Board of Directors
ACB (India) Limited
7th Floor, Office tower,
Ambience Mall, NH-8
Gurgaon, Haryana- 122001

1. We have reviewed the accompanying Statement of unaudited standalone financial results ('the Statement') of ACB (India) Limited ('the Company') for the six months period ended 30 September 2016, attached herewith. The statement has been prepared by the Company pursuant to Regulation 52 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding six months period ended 30 September 2015 including the reconciliation of total comprehensive income under Indian Accounting Standard ('Ind-AS') of the corresponding six months period ended with profit reported under previous Generally Accepted Accounting Principles ('GAAP'), as reported in these financial results have been approved by Company's Board of Directors but have not been subjected to review.
2. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors of the Company in their meeting held on 14 December 2016. Our responsibility is to issue a report on the accompanying Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by an 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 Statement is free of material misstatement. A review is limited primarily to the inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. With regard to dispute with one of the customers for quality of the beneficiated coal supplied by the Company, the customer has invoked bank guarantees of Rs. 2,009.34 lacs (out of total bank guarantees of Rs. 3,798.34 lacs) and raised further claim amounting to Rs. 752.67 lacs for recovery of cost of coal supplied by customer for beneficiation and penalties. The matter for invocation of bank guarantees was pending at Hon'ble Supreme Court of India. Meantime, on an application filed for the appointment of Arbitrator in regard to above disputes, the Hon'ble Bombay High Court, Nagpur Bench appointed Sole Arbitrator to adjudicate the dispute. During the year ended 31 March 2015, the Company and the customer filed their claim and counter claim (including claim towards power generation loss, which is considered as baseless by the Company), respectively, with the Arbitrator. The decision of the Sole Arbitrator is pending.

Subsequent to the year ended 31 March 2016, in the matter for invocation of bank guarantees, the Hon'ble Supreme Court of India vide order dated 15 September 2016 directed the banks to release 40 percent of the total bank guarantees to the customer within a week, which the banks have released and rest of the amount to be covered by the fresh bank guarantees to be kept alive till final award is passed by the learned Arbitrator.

The Hon'ble Supreme Court of India directed the learned Arbitrator to finally dispose off the matter by February 2017 and also not to be influenced by this interim arrangement as it has been done on the basis of concession and to adjudicate the claim pertaining to bank guarantees on its own merits.

However, management believes that final outcome of the litigation will not have significant financial impact and accordingly, no provision is required against the claims of the customer. Our report is not modified in respect of this matter.

5. The Company has overdue receivable amounting to Rs. 1,696.38 lacs from Karnataka Power Corporation Limited, one of the customers of the Company, relating to the sale of beneficiated coal. The matter is in dispute and at present with Hon'ble High Court, Karnataka. The Company, based on the agreed terms of contract and present negotiations, is confident of recovering the entire outstanding amount and hence considers that no provision for doubtful debt and advances is required at this stage. Our report is not modified in respect of this matter.
6. With regard to certain transactions entered into by the Company with certain parties covered under Section 297 of the Companies Act, 1956, amounting to Rs. 119.54 lacs during the year ended 31 March 2014, which are in excess of approval obtained from the Central Government and Rs. 103.05 lacs during the year ended 31 March 2010, in respect of which prior approval of the Central Government had not been obtained, as envisaged under that section, by the Company. During the year ended 31 March 2016, the Company filed an application to Ministry of Corporate Affairs ('MCA') for compounding of the above matter. However, reply from MCA is still awaited, the management believes that the impact of above will not have significant financial impact. Our report is not modified in respect of this matter.
7. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in all material respects, in accordance with the applicable accounting standards i.e Ind-AS as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 10 August 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 101248W/W100022



Pravin Tulsyan
Partner
Membership No. 108044

Place: Gurgaon
Date: 14 December 2016

**ACB (INDIA) LIMITED**

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Statement of unaudited standalone financial results for the six months period ended 30 September 2016*(All amounts are in Rupees Lacs, unless otherwise stated)*

Particulars	for the six months period ended 30 September 2016 Unaudited	for the six months period ended 30 September 2015 Unaudited (Refer note 1 and 8)
1 (a) Net income from operations	55,305.32	59,024.69
(b) Other operating income	-	-
Total	55,305.32	59,024.69
2 Expenditure		
(a) (Increase)/ decrease in inventories of coal and work in progress	1,368.17	(2,656.58)
(b) Purchase of coal	531.83	6,823.18
(c) Transportation and loading charges	8,464.12	9,922.83
(d) Power, fuel and water expenses	4,048.71	4,085.77
(e) Consumption of chemicals	170.94	185.10
(f) Purchase of equipment and other engineering services charges	2,183.87	862.61
(g) Employee cost	4,845.65	4,810.67
(h) Depreciation and amortisation expense	5,534.94	5,348.35
(i) Other expenditure	14,727.52	11,564.21
Total	41,875.75	40,946.14
3 Profit from operations before other income, interest cost and exceptional items (1-2)	13,429.57	18,078.55
4 Other income	2,362.68	1,952.00
5 Profit before interest cost and exceptional items (3+4)	15,792.25	20,030.55
6 Interest cost	10,379.07	10,426.07
7 Exceptional items	-	-
8 Profit from ordinary activities before tax [5-(6+7)]	5,413.18	9,604.48
9 Tax expense	521.84	2,083.23
10 Net profit from ordinary activities after tax (8-9)	4,891.34	7,521.25
11 Extra ordinary items	-	-
12 Net profit for the period (10-11)	4,891.34	7,521.25
13 Other comprehensive income for the period	0.86	34.36
14 Total comprehensive income for the period (12+13)	4,892.20	7,555.61
15 Paid up equity share capital (Face value per share of Rs. 10 each)	23,800.57	23,800.57
14 Paid up debt capital ^	29,500.00	29,500.00
15 Debenture redemption reserve	3,281.67	1,571.04
16 Net worth (Paid up equity share capital plus Reserves and surplus, excluding debenture redemption reserve)	219,572.63	211,690.77
17 Earning per share (in Rs.)	2.06 *	3.17 *
18 Debt equity ratio (DER) **	0.83	0.72
19 Debt service coverage ratio (DSCR) #	0.77	1.00
20 Interest service coverage ratio (ISCR) ##	2.05	2.43

^ Represents non-convertible debentures.

* Not annualised.

** DER = Debt [long term debt (including current maturities) + short term debt] / Equity [paid up equity share capital and reserves and surplus].

DSCR = Profit before interest cost and exceptional items, depreciation and amortisation expense and after tax / [Interest cost (including capitalised portion) + Scheduled principal repayments of long-term borrowings (excluding prepayments) during the period].

ISCR = Profit before interest cost and exceptional items, depreciation and amortisation expense and tax / Interest cost (including capitalised portion)

Notes:

1. The above 'Statement of unaudited standalone financial results' ('the Statement') has been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable and discloses information required to be disclosed in term of Regulation 52 of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 (as amended).

Ind-AS is applicable to the Company for the first time for the year ending 31 March 2017 as required by the Companies Act, 2013. As part of its transition, the Company has prepared its financial results under Ind-AS, as beginning from 1 April 2016 with transition date on 1 April 2015. The comparative figures for the six months ended 30 September 2015 have been restated (including re-classification) by the Management as per Ind-AS and such restatements have not been subject to review/ audit. However, the Company's management has taken necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.

The above Statement has been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 14 December 2016. The statutory auditors of the Company have carried out a limited review of the Statement and their review report is being filed with the Bombay Stock Exchange ("BSE") and is also available on the Company's website at www.acbindia.com.



2. The rating for non-convertible debentures is as under:

Rating Agency	Rating amount (Rs. lacs)	Outstanding amount as at 30 September 2016 (Rs. lacs)	Rating as at 30 September 2016
CRISIL Limited	30,000.00	29,500.00	A+/Negative
India Ratings and Research Private Limited	35,000.00	-	AA-/Stable
Total	65,000.00	29,500.00	

3. Following is the information regarding interest and principal payment of non-convertible debentures:

Series of NCDs	Outstanding amount as at 30 September 2016 (Rs. lacs)	Previous due date for payment of Interest	Actual date of payment of Interest	Next due date for payment of Interest	Next due date for repayment of Principal	Scheduled Principal repayment amount (Rs. lacs)
Series 1	5,500.00	31-07-2016	30-07-2016	31-01-2017	31-07-2017	2,750.00
Series 2	5,000.00	31-10-2015	31-10-2015	31-10-2016	31-10-2017	2,500.00
Series 3	1,000.00	11-12-2015	11-12-2015	11-12-2016	11-12-2017	500.00
Series 4	3,500.00	20-01-2016	20-01-2016	20-01-2017	20-01-2018	1,750.00
Series 5	1,000.00	28-03-2016	28-03-2016	28-03-2017	28-03-2018	500.00
Series 6	2,500.00	05-06-2016	04-06-2016	05-06-2017	05-06-2018	1,250.00
Series 7	1,000.00	25-06-2016	24-06-2016	25-06-2017	25-06-2018	500.00
Series 8	6,000.00	18-03-2016	18-03-2016	18-03-2017	18-03-2020	6,000.00
Series 9	4,000.00	29-05-2016	27-05-2016	29-05-2017	29-05-2019	2,000.00
Total	29,500.00					17,750.00

4. The non-convertible debentures are secured by an adequate asset cover as per the terms of Disclosure Document filed with BSE Limited.
5. During the year ended 31 March 2010 and 31 March 2014, the Company had entered into certain transactions amounting to Rs. 103.06 lacs in respect of which prior approval of Central Government has not been obtained and Rs. 119.54 lacs which are in excess of approval obtained from the Central Government, respectively, as envisaged under section 297 of the Companies Act, 1956. During the year ended 31 March 2016, the Company has filed an application to Ministry of Corporate Affairs ('MCA') for compounding of the above matter, however, reply for MCA is still awaited. The management believes that the outcome of above will not have significant financial impact.
6. In the previous years, one of the customers, pursuant to a contract entered for beneficiation of coal, has invoked bank guarantees of Rs. 2,009.34 lacs (previous period Rs. 2,009.34 lacs) out of total bank guarantees of Rs. 3,798.34 lacs and raised further claim amounting to Rs. 752.67 lacs (previous period Rs. 752.67 lacs) for recovery of cost of coal supplied by customer for beneficiation and penalties. On an application filed for the appointment of Arbitrator in regard to above disputes, the Hon'ble Bombay High Court, Nagpur Bench appointed Sole Arbitrator and the Company has filed its claim to the Arbitrator. The decision of the Sole Arbitrator is pending.

Subsequent to the year ended 31 March 2016, in the matter for invocation of bank guarantees, the Hon'ble Supreme Court of India vide order dated 15 September 2016 directed the banks to release 40 percent of the bank guarantees to the customer within a week, which the banks have released, and rest of the amount to be covered by the fresh bank guarantees to be kept alive till final award is passed by the learned Arbitrator. The Hon'ble Supreme Court of India directed the learned Arbitrator to finally dispose off the matter by February 2017 and also not to be influenced by this interim arrangement as it has been done on the basis of concession and to adjudicate the claim pertaining to bank guarantees on its own merits.

However, management believes that final outcome of the litigation will not have significant financial impact and accordingly, no provision is required against the claims of the customer.

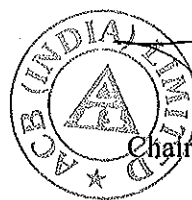


7. The Company has overdue trade receivables balance and security deposit receivable, amounting to Rs. 1,671.38 lacs (previous period Rs. 1,671.38 lacs) and Rs. 25.00 lacs (previous period Rs. 25.00 lacs) respectively, from one of its customer relating to sale of beneficiated coal. During the year ended 31 March 2013, the Company had filed civil suit in the appropriate court for the recovery of its amount. The customer in its written statement contested the claim of the Company and denied to any amount payable to the Company. The matter is now pending with Hon'ble Court of the City Civil Judge Bangalore, Karnataka. However, based on the merits of the case, management is confident of recovery of the entire outstanding balance.
8. Reconciliation of net profit between previous GAAP and Ind AS:

Particulars	For the 6 months period ended 30 September 2015
Net profit as per previous GAAP	7,597.82
Amortisation of debt origination cost through accretion of borrowings	(262.25)
Impact of time value of money for long-term receivables and payables	37.31
Adjustment due to accounting for capital spares	130.61
Others	13.26
Deferred tax impact of above adjustments	39.42
Re-measurement of actuarial gain/loss (net of tax of Rs. 17.98 lacs)	(34.90)
Total	7,521.27
Other comprehensive income	
Re-measurement of actuarial gain/loss (net of tax of Rs. 17.98 lacs)	34.90
Others	(0.56)
Total comprehensive income	7,555.61

9. During the current period, the Company has changed the trigger plan date for 30 MW-Extn. Thermal Power Plant business eligible for tax holiday period under Section 80-IA of the Income Tax Act, 1961. Accordingly, deferred tax assets to the extent of Rs. 57.98 lacs (previous period Rs. 633.06 lacs relating to 30MW-Extn. Thermal Power Plant and 270 MW Thermal Power Plant) has been considered for adjustment with deferred tax charge for the period ended 30 September 2016.

For and on behalf of Board of Directors



[Signature]
Rudra Sen Sindhu
Chairman cum Managing Director

Place : Gurgaon
Date : 14 December 2016