


ELECTROSTEEL STEELS LIMITED

Registered Office : 801 Uma Shanti Apartments, Kanke Road, Ranchi - 834008, Jharkhand
 Head Office : G.K.Tower, 2nd & 3rd Floor, 19 Camac Street, Kolkata - 700 017, West Bengal
 CIN - L27310JH2006PLC012663, Tel and fax 0651-2285636, Website: www.electrosteelsteels.com

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018

(Rs.in lakhs except as stated)

Particulars	Quarter Ended			Year Ended
	June 30, 2018	Mar 31, 2018	June 30, 2017	March 31, 2018
	Unaudited	Audited	Unaudited	Audited
1 Income				
Revenue from operations	102,162.25	114,903.07	77,317.09	353,283.40
Other Income	2,452.92	3,188.79	4,177.08	8,843.06
Total income	104,615.17	118,091.86	81,494.17	362,126.46
2 Expenses				
Cost of materials consumed	62,885.29	73,995.75	52,620.93	221,651.85
Changes in inventories of finished goods, work-in-progress and stock in trade	(4,778.82)	2,814.93	(8,258.95)	8,085.98
Excise duty on sale of goods	-	-	6,629.74	6,629.74
Employee benefits expense	3,721.74	3,680.98	3,695.63	14,760.42
Finance costs	3,649.00	(5,837.48)	28,060.36	78,995.91
Depreciation and amortisation expense	7,712.14	17,330.68	11,963.51	53,415.20
Other Expenses	24,256.84	19,756.80	18,752.42	68,636.70
Total expenses	97,446.19	111,741.66	113,463.64	452,175.80
3 Profit/(Loss) before tax and exceptional items	7,168.98	6,350.20	(31,969.47)	(90,049.34)
4 Exceptional items (net) (Refer Note no. 4)	85,627.50	(533,585.81)	7,750.00	(523,835.81)
Profit/(Loss) before tax	92,796.48	(527,235.61)	(24,219.47)	(613,885.15)
5 Tax expense				
Current Tax	-	-	-	-
Deferred Tax	-	-	-	-
6 Profit/(Loss) for the Period	92,796.48	(527,235.61)	(24,219.47)	(613,885.15)
7 Other Comprehensive Income (OCI)				
i. Items that will not be reclassified to profit or loss: Remeasurement of defined benefit plans	(23.06)	(109.62)	5.79	(92.24)
ii. Income tax relating to Items that will not be reclassified to profit or loss	-	-	-	-
Other Comprehensive Income (OCI) for the period	(23.06)	(109.62)	5.79	(92.24)
8 Total comprehensive income for the period	92,773.42	(527,345.23)	(24,213.68)	(613,977.39)
9 Paid up equity share capital (Face Value of Rs. 10/- each)	196,167.34	240,923.50	240,923.50	240,923.50
10 Other equity excluding revaluation reserve				(911,685.49)
11 Earnings Per Share of Rs. 10/- each (not annualised):				
(a) Basic	3.14	(21.88)	(1.01)	(25.48)
(b) Diluted	3.14	(21.88)	(1.01)	(25.48)




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 its meeting held on August 29, 2018. The above results have been subjected to Review by the Statutory Auditors.

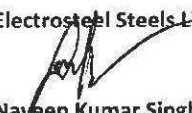
- 2 The Company had filed application for renewal of Consent to Operate ('CTO') on August 24, 2017 for the period of five years which was denied by Jharkhand State Pollution Control Board ('JSPCB') on August 23, 2018. Hon'ble High Court of Jharkhand has, on August 25, 2018, granted a stay on the order of denial of CTO by JSPCB and continued their interim order to allow the operations till next hearing. Hon'ble High Court has also directed Ministry of Environment, Forests and Climate Change (MOEF & CC) to take a decision on their show cause notice of June 06, 2012 within four weeks and place the decision before the High Court by filing supplementary affidavit. Hon'ble High Court has also allowed the Company to make an application for regularisation of any irregularity before MOEF & CC without prejudice to its rights and contentions. The matter is now posted for hearing on September 27, 2018.
- 3 During the quarter Corporate Insolvency Resolution Process (CIRP) initiated on July 21, 2017 under Insolvency and Bankruptcy Code' 2016 by Hon'ble National Company Law Board Tribunal (NCLT) has been completed and order to the effect approving the resolution plan (ARP) submitted by Vedanta Limited (Vedanta) one of the applicant has been passed on April 17, 2018 by NCLT (NCLT Order). The NCLT Order and ARP has been upheld by National Company Law Appellate Tribunal vide its Order dated August 10, 2018 (NCLAT Order). Consequential impact giving effect to ARP approved as above are as follows:
 - a) The Board of the Company has been reconstituted on June 4, 2018 with nominees of Vedanta being inducted as member of the Board.
 - b) Vedanta Star Limited (a wholly owned subsidiary of Vedanta Limited) has on June 04, 2018 deposited Rs. 532,000.00 lakh in an escrow account ("Escrow Account") of the Company for payment to financial creditors of the entire amount of sustainable debts in terms of the ARP out of total Outstanding amount of Rs. 12,71,913.21 lakhs and the same has been remitted to them on June 21, 2018.
 - c) 739,91,32,055 equity shares of Rs. 10 each were allotted on June 6, 2018 to financial creditors converting the non-sustainable debt to equity.
 - d) On June 14, 2018, the existing 980,83,67,078 equity shares including those allotted on June 6, 2018 to financial creditors as above have been reduced from Rs. 9,80,836.71 lakhs to Rs. 19,616.73 lakhs divided into 980,83,67,078 equity shares of Re. 0.20 each fully paid-up. Simultaneously, 50 such shares of Re .20 each thereafter has been consolidated into 1 fully paid-up equity share of Rs. 10 each. The amount of Rs. 9,61,219.97 lakhs reduced as above in compliance with the Order of Hon'ble NCLT has been credited to Capital Reserve.
 - e) On June 15, 2018, 176,55,06,078 fully paid equity shares of Rs. 10 each were allotted to Vedanta Star Limited against the money deposited in Escrow Account, leaving the balance of Rs. 355,449.39 lakhs to be considered as long term interest bearing loan.
 - f) Consequent to above allotment and consolidation of shares, equity share capital of the company stands at Rs. 19,61,67.34 lakhs divided into 196,16,73,420 equity shares of Rs.10 each.
- 4 In view of Note no. 2 above and the Order of the Hon'ble NCLT as upheld by Hon'ble NCLAT (Note no. 3), whereby the affairs of the company has been held to be viable and steps so far taken and to be taken as envisaged in terms of ARP, the financial statement has been prepared on a Going Concern basis.
- 5 i) The liability pertaining to Operational Creditors being no longer payable in terms of ARP amounting to Rs.85,627.50 lakhs has been written back and shown as exceptional items. Further, contingent liabilities, obligations and claims etc. against the Company stand extinguished and accordingly no outflow of fund is expected in this respect.
ii) Exceptional Items (net) pertaining to earlier period relates to Rs. 10,000.00 lakhs received from the Insurer against "Loss of Profit" claim, Provision of Rs. 511,193.01 lakhs for Impairment of Property, Plant and Equipments, Intangible Assets and Capital Work in progress and Rs. 22,642.80 lakhs provided against claim from operational creditors pursuant to CIRP.
- 6 In term of Ind AS 108 "Operating Segment", the Company has one business segment i.e. Iron and Steel and related products and all other activities revolve around the said business.
- 7 Effective 01 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with customers" under the modified retrospective approach. The application of the standard did not have any significant impact on the financial results for the current quarter.
- 8 Goods and Service Tax ("GST") has been implemented with effect from July 01, 2017 and therefore Revenue from Operations for the quarter ended June 30, 2018 and March 31, 2018 are net of GST. Revenue from operations and expenses for the quarter ended June 30, 2017 being inclusive of excise duty are not comparable.
- 9 The figures for the quarter ended March 31, 2018 are balancing figures between the audited figures in respect of the full financial year ended March 31, 2018 and the unaudited published year to date figures up to December 31, 2017, being the third quarter of the financial year, which was subject to limited review. Previous periods' figures have been regrouped wherever appropriate to conform to current periods' presentation.
- 10 Previous periods' figures have been regrouped wherever appropriate to conform to current periods' presentation.

Place of Signature : Kolkata

Date: August 29, 2018



For Electrosteel Steels Limited


Naveen Kumar Singhal
(Director)

(DIN No. 02642057)



Limited Review Report**The Board of Directors
Electrosteel Steels Limited**

1. We have reviewed the accompanying statement of unaudited Financial Results of Electrosteel Steels Limited ('the Company') for the Quarter ended on June 30, 2018 ('the Statement'). 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 ('the SEBI Regulations'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 which has been initialed by us for the purpose of identification.
 2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements 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 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.
 4. Based on our review conducted as above, we report that, nothing has come to our attention that causes us to believe that the accompanying statement of the Results read with notes thereon, prepared in accordance with aforesaid Indian Accounting Standards 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 July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 5(a) Attention is drawn to Note no. 3(d) of the statement regarding the adjustments being carried out pursuant to the implementation of the Resolution Plan and the resultant impact thereof being recognised in Equity i.e. Capital Reserve as required in terms of Resolution Plan approved by Hon'ble NCLT.
- (b) The comparative Ind AS financial information of the Company for the corresponding quarter ended June 30, 2017 were reviewed by the predecessor auditor, M/s B Chhawchharia & Co, Chartered Accountants who expressed unmodified opinion vide their reports dated August 12, 2017 and reliance has been placed by us for the purpose of this report.
- (c) Our conclusion is not modified in respect of the above.

Place: Kolkata
Date: August 29, 2018



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

R.P. Singh

R P Singh
Partner
Membership No.052438