

Date: August 13, 2014

- 1) To,
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
- 2) To,
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051 **K.A: Ms Shital Loones / Ms Radhika Marathe**

Sub: Outcome of the Meeting of the Board of Directors of Electrosteel Steels Limited held on August 13, 2014.

Dear Sir/ Madam,

Enclosed, please find herewith the unaudited financial results of the Company and the Limited Review report from the Statutory Auditors for the quarter ended 30.06.2014 duly reviewed and approved by the Board of Directors in its meeting held on 13th August, 2014.

This is to further inform you that the Board Meeting of the Company also concluded with the following material outcome;

- 1) The Board has allotted 22, 25, 00,000 Equity Shares at an issue price of Rs-10 each aggregating to 222.50 crores to Promoters of the Company on Preferential basis as per CDR.
- 2) The Board has accepted the resignation of Mr Vikash Kumar Agarwal, Company Secretary of the Company.

Thanking You,
For Electrosteel Steels Limited


Whole-time Director

Enclosed : As above

Review Report to M/s ELECTROSTEEL STEELS LIMITED

We have reviewed the accompanying statement of unaudited financial results of M/s ELECTROSTEEL STEELS LIMITED for the quarter ended June 30, 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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.

We conducted our review in accordance with the Standard on Review Engagements (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.

We draw attention to Note 3 of the unaudited financial results for the quarter ended 30th June 2014, whereby the Company has recomputed the depreciation in accordance with the requirements of Schedule II of the Companies Act, 2013, resulting in under charge of depreciation by Rs 745.58 lacs for the said quarter.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Kolkata
August 13, 2014



B Chhawchharia & Co.
Firm Registration No.: 305123E
Chartered Accountants


Vikram Dhanania
Partner

Membership No. 060568
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Kolkata - 700 027



Registered Office : 801 Uma Shanti Apartments, Kanke Road, Ranchi - 834008, Jharkhand
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CIN - L27310JH2006PLC012663, Tel and fax 0651-2231636, Website: www.electrosteelsteels.com

Unaudited Financial Results for the Quarter ended June 30, 2014

PART I

Particulars	(Rs in lacs)			
	Three months ended		Year ended	
	30.06.2014	31.03.2014	30.06.2013	31.03.2014
	Unaudited	Audited	Unaudited	Audited
1 Income from Operations				
(a) Net sales/income from operations (Net of excise duty)	32,854.45	8,845.77	11,982.30	46,929.98
(b) Other Operating Income	1,558.53	939.73	1,327.31	4,392.21
Total income from operations (net)	34,412.98	9,785.50	13,309.61	51,322.19
2 Expenses				
(a) Cost of materials consumed	27,310.91	12,482.03	12,355.04	46,868.77
(b) Purchase of trading goods (coal)	1,170.54			
(c) Purchases of stock-in trade				
(d) Changes in inventories of finished goods, work-in-progress and stock in trade	(3,844.25)	(4,609.23)	(989.40)	(4,798.13)
(e) Employee benefits expense	927.89	602.77	255.68	1,394.73
(f) Depreciation and Ammortisation Expenses	5,020.43	2,079.81	1,702.73	6,764.31
(g) Other Expenses (Any item exceeding 10% of total expenses relating to continuing operations to be shown separately)	8,176.93	6,144.33	2,650.56	13,165.67
Total expenses	38,762.45	16,699.71	15,974.61	63,395.35
3 Profit/ (Loss) from operations before other Income, finance costs, and exceptional items (1-2)	(4,349.47)	(6,914.21)	(2,665.00)	(12,073.16)
4 Other Income	218.96	647.41	43.28	692.57
5 Profit/ (Loss) from ordinary activities before finance costs, and exceptional items (3+4)	(4,130.51)	(6,266.80)	(2,621.72)	(11,380.59)
6 Finance Costs	10,407.26	5,113.59	4,451.83	17,731.41
7 Profit/ (Loss) from ordinary activities after finance cost but before exceptional items (5-6)	(14,537.77)	(11,380.39)	(7,073.55)	(29,112.00)
8 Exceptional items	-	-	-	-
9 Profit/ (Loss) from ordinary activities before tax (7+8)	(14,537.77)	(11,380.39)	(7,073.55)	(29,112.00)
10 Tax expenses	-	1.17	-	1.17
11 Net Profit / (Loss) from ordinary activities after tax (9-10)	(14,537.77)	(11,381.56)	(7,073.55)	(29,113.17)
12 Extraordinary item (net of tax expense)	-	-	-	-
13 Net Profit / (Loss) for the period (11-12)	(14,537.77)	(11,381.56)	(7,073.55)	(29,113.17)
14 Share of profit/ (loss) of associates	NA	NA	NA	N.A
15 Minority Interest	NA	NA	NA	N.A
16 Net Profit/ (Loss) after taxes, minority interest and share of profit/(loss) of associates (13+14+15)	(14,537.77)	(11,381.56)	(7,073.55)	(29,113.17)
17 Paid up equity share capital (Face Value of Rs10/- each)	2,18,673.50	2,18,673.50	2,18,673.50	2,18,673.50
18 Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year	-	-	-	(68,716.30)
19.i Earnings per share (before extraordinary items) of Rs. 10/- each (not annualised):				
(a) Basic	(0.66)	(0.52)	(0.33)	(1.33)
(b) Diluted	(0.66)	(0.52)	(0.33)	(1.33)
19.ii Earnings per share (after extraordinary items) of Rs 10/- each (not annualised)				
(a) Basic	(0.66)	(0.52)	(0.33)	(1.33)
(b) Diluted	(0.66)	(0.52)	(0.33)	(1.33)

PART II

A PARTICULARS OF SHAREHOLDING				
1 Public Shareholding				
- Number of shares	1,31,94,35,023	1,31,94,35,023	1,31,99,85,023	1,31,94,35,023
- Percentage of shareholding	60.34%	60.34%	60.36%	60.34%
2 Promoters and Promoter group shareholding				
a) Pledged / Encumbered				
- Number of shares	86,67,50,000	86,67,50,000	50,00,00,000	86,67,50,000
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	99.94%	99.94%	57.69%	99.94%
- Percentage of shares (as a % of the total Share Capital of the Company)	39.64%	39.64%	22.87%	39.64%
b) Non Encumbered				
- Number of shares	5,50,000	5,50,000	36,67,50,000	5,50,000
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	0.06%	0.06%	42.31%	0.06%
- Percentage of shares (as a % of the total Share Capital of the Company)	0.02%	0.02%	16.77%	0.02%

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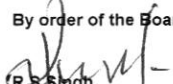
B INVESTOR COMPLAINTS	Three months ended 30.06.2014
Pending at the beginning of the quarter	0
Received during the quarter	1
Disposed off during the quarter	1
Remaining unresolved at the end of the quarter	0

NOTES

- 1 The Company's Integrated Steel & DI Pipe Plant in the State of Jharkhand, India, is under construction & erection. A part of plant facility has commenced production and accordingly the proportionate expenditure related to the project has been accounted as 'Project Development Expenditure' pending capitalization under 'Capital work-in-Progress'
- 2 The Company has, during the quarter, capitalized part of the plant facility (Blast Furnace 2). Accordingly the Pre-Operative Expenses incurred upto the date of capitalization have been allocated to the cost of the facility on a proportionate basis.
- 3 Pursuant to the Companies Act, 2013 ('the Act') becoming effective from 1st April 2014, the Company has recomputed the depreciation based on the useful life of the assets as prescribed in Schedule II of the Act. The depreciation charged for the quarter ended 30th June 2014 is lower by Rs 745.58 lacs. Further, in accordance with the transitional provisions of Schedule II, the Company has adjusted Rs 519.03 lacs in the opening balance of retained earnings for those assets where the remaining useful life is Nil as on 1st April 2014.
- 4 Considering the nature of the Company's business and operations, there are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Accounting Standard 17 'Segment Reporting', issued by ICAI.
- 5 Previous quarters / year figures have been reclassified wherever appropriate to confirm to current year's presentation.
- 6 The above audited results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on 13th August, 2014.

Place : Kolkata
Date : August 13, 2014

By order of the Board


R. S. Singh
(Wholetime Director)