**ELECTROSTEEL STEELS LIMITED**

Head Office:
G K Tower, 2nd & 3rd floor,
19, Camac Street, Kolkata - 700017
West Bengal, India
Board Number: +91-33-4009 0600,
Fax No: +91-33-2290 2882

Date: November 9, 2012

***K.A: Mr Pavan Naik / Mr Siddharth Rauth***

1) To,
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

***K.A: Ms Shital Loones / Ms Radhika Marathe***

2) To,
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

**Sub: Outcome of the Meeting of the Board of Directors of Electrosteel Steels Limited held on November 9, 2012.**

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 and half year ended 30.09.2012 duly reviewed and approved by the Board of Directors in its meeting held on November 9, 2012.

Thanking You,

***For Electrosteel Steels Limited***

***Vikram Saraogi***
***Company Secretary***

*Enclosed as above*

# 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

## Unaudited Financial Results for the Quarter and Half year ended September 30, 2012

PART I

(Rs in lacs)

| | Particulars | Three months ended | | | Six months ended | | Year ended |
|---|---|---|---|---|---|---|---|
| | | 30.09.2012 | 30.06.2012 | 30.09.2011 | 30.09.2012 | 30.09.2011 | 31.03.2012 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | **Income from Operations** | | | | | | |
| | (a) Net sales/income from operations (Net of excise duty) | 29.16 | 1,197.68 | - | 1,226.84 | 231.49 | 5,778.81 |
| | (b) Other Operating Income | 5.57 | 90.48 | - | 96.05 | 52.80 | 289.95 |
| | Total income from operations (net) | 34.73 | 1,288.16 | - | 1,322.89 | 284.29 | 6,068.76 |
| 2 | **Expenses** | | | | | | |
| | (a) Cost of materials consumed | 81.26 | 585.11 | - | 666.37 | 178.66 | 8,804.68 |
| | (b) Purchases of stock-in trade | | - | - | | - | |
| | (c) Changes in inventories of finished goods,work-in-progress and stock in trade | 0.97 | 936.39 | - | 937.36 | 133.20 | (1,288.03) |
| | (d) Employee benefits expense | 160.83 | 176.45 | 96.31 | 337.28 | 172.63 | 753.70 |
| | (e) Depreciation and Ammortisation Expenses | 1,367.56 | 1,352.76 | 455.99 | 2,720.32 | 908.91 | 2,394.55 |
| | (f) Other Expenses (Any item exceeding 10% of total expenses relating to continuing operations to be shown separately) | 1,169.86 | 568.42 | 291.97 | 1,736.28 | 474.70 | 2,401.06 |
| | Total expenses | 2,780.48 | 3,617.13 | 844.27 | 6,397.61 | 1,868.10 | 13,065.96 |
| 3 | **Profit/ (Loss) from operations before other income, finance costs,and exceptional items (1-2)** | **(2,745.75)** | **(2,328.97)** | **(844.27)** | **(5,074.72)** | **(1,583.81)** | **(6,997.20)** |
| 4 | Other Income | 3.66 | 7.91 | - | 11.57 | - | 41.81 |
| 5 | **Profit/ (Loss) from operations before other income, finance costs,and exceptional items (3+4)** | **(2,742.09)** | **(2,321.06)** | **(844.27)** | **(5,063.16)** | **(1,583.81)** | **(6,955.39)** |
| 6 | Finance Costs | 2,051.72 | 2,299.36 | 1,465.80 | 4,351.08 | 2,409.44 | 8,022.83 |
| 7 | **Profit/ (Loss) from ordinary activities after finance cost but before exceptional items (5-6)** | **(4,793.81)** | **(4,620.42)** | **(2,310.07)** | **(9,414.23)** | **(3,993.25)** | **(14,978.22)** |
| 8 | Exceptional Items | - | - | - | - | - | - |
| 9 | **Profit/ (Loss) from ordinary activities before tax (7+8)** | **(4,793.81)** | **(4,620.42)** | **(2,310.07)** | **(9,414.23)** | **(3,993.25)** | **(14,978.22)** |
| 10 | Tax expenses | 1.70 | - | 1.77 | 1.70 | 1.77 | 3.48 |
| 11 | **Net Profit / (Loss) from ordinary activities after tax (9-10)** | **(4,795.51)** | **(4,620.42)** | **(2,311.84)** | **(9,416.93)** | **(3,995.02)** | **(14,981.70)** |
| 12 | Extraordinary item (net of tax expense) | - | - | - | - | - | - |
| 13 | **Net Profit / (Loss) for the period (11-12)** | **(4,795.51)** | **(4,620.42)** | **(2,311.84)** | **(9,416.93)** | **(3,995.02)** | **(14,981.70)** |
| 14 | Share of profit/ (loss) of associates | NA | NA | NA | NA | NA | NA |
| 15 | Minority Interest | NA | NA | NA | NA | NA | NA |
| 16 | **Net Profit/ (Loss) after taxes, minority interest and share of profit/(loss) of associates (13+14+15)** | **(4,795.51)** | **(4,620.42)** | **(2,311.84)** | **(9,416.93)** | **(3,995.02)** | **(14,981.70)** |
| 17 | Paid up equity share capital (Face Value of Rs10/- each) | 218,673.50 | 203,473.50 | 203,473.50 | 218,673.50 | 203,473.50 | 203,473.50 |
| 18 | Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year | - | - | - | - | - | 3,379.82 |
| 19.i | Earnings per share (before extraordinary items) of Rs.10/- each) (not annualised): | | | | | | |
| | (a) Basic | (0.22) | (0.23) | (0.11) | (0.43) | (0.20) | (0.74) |
| | (b) Diluted | (0.22) | (0.23) | (0.11) | (0.43) | (0.20) | (0.74) |
| 19ii | Earnings per share (after extraordinary items) of Rs 10/- each) (not annualised) | | | | | | |
| | (a) Basic | (0.22) | (0.23) | (0.11) | (0.43) | (0.20) | (0.74) |
| | (b) Diluted | (0.22) | (0.23) | (0.11) | (0.43) | (0.20) | (0.74) |

PART II

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| A | **PARTICULARS OF SHAREHOLDING** | | | | | | |
| 1 | Public Shareholding | | | | | | |
| | - Number of shares | 1,326,735,023 | 1,326,735,023 | 1,334,735,023 | 1,326,735,023 | 1,334,735,023 | 1,326,735,023 |
| | - Percentage of shareholding | 60.67% | 65.20% | 65.60% | 60.67% | 65.60% | 65.20% |
| 2 | Promoters and Promoter group shareholding | | | | | | |
| | a) Pledged / Encumbered | | | | | | |
| | - Number of shares | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 | 500,000,000 |
| | - Percentage of shares (as a % of the total shareholding of Promoter & Promoter group) | 58.14% | 70.62% | 71.43% | 58.14% | 71.43% | 70.62% |
| | - Percentage of shares (as a % of the total Share Capital of the Company) | 22.87% | 24.57% | 24.57% | 22.87% | 24.57% | 24.57% |
| | b) Non Encumbered | | | | | | |
| | - Number of shares | 360,000,000 | 208,000,000 | 200,000,000 | 360,000,000 | 200,000,000 | 208,000,000 |
| | - Percentage of shares (as a % of the total shareholding of Promoter & Promoter group) | 41.86% | 29.38% | 28.57% | 41.86% | 28.57% | 29.38% |
| | - Percentage of shares (as a % of the total Share Capital of the Company) | 16.46% | 10.22% | 9.83% | 16.46% | 9.83% | 10.22% |

| B | INVESTOR COMPLAINTS | Three months ended 30.09.2012 |
|---|---|---|
| | Pending at the beginning of the quarter | 0 |
| | Received during the quarter | 7 |
| | Disposed off during the quarter | 7 |
| | Remaining unresolved at the end of the quarter | 0 |

**Standalone / Consolidated Statement of Assets and Liabilities**

| | Particulars | As at 30.09.2012 (Unaudited) | As at 31.03.2012 (Audited) |
|---|---|---|---|
| | **Particulars** | | |
| A | **EQUITY AND LIABILITIES** | | |
| 1 | **Shareholders Funds** | | |
| | a) Share Capital | 218,673.50 | 203,473.50 |
| | b) Reserves & Surplus | (21,017.82) | (11,601.68) |
| | **Sub Total- Shareholders funds** | **197,655.68** | **191,871.82** |
| 2 | **Share application money pending allotment** | - | - |
| 3 | **Minority interest** | NA | NA |
| 4 | **Non-current liabilities** | | |
| | (a) Long term borrowings | 553,116.78 | 520,075.91 |
| | (b) Other long term liabilities | 45,187.08 | 39,901.95 |
| | (c) Long term provisions | 329.42 | 329.42 |
| | **Sub Total- Non Current Liabilities** | **598,633.28** | **560,307.28** |
| 5 | **Current liabilities** | | |
| | (a) Short term borrowings | 7,570.86 | 3,158.02 |
| | (b) Trade Payables | 9,378.26 | 12,132.89 |
| | (c) Other current liabilities | 179,231.45 | 136,144.66 |
| | (d) Short term provisions | 51.42 | 51.42 |
| | **Sub Total- Current Liabilities** | **196,231.99** | **151,486.99** |
| | **TOTAL- EQUITY AND LIABILITIES** | **992,520.95** | **903,665.89** |
| B | **ASSETS** | | |
| 1 | **Non current assets** | | |
| | (a) Fixed assets | 915,999.93 | 823,453.00 |
| | (b) Long term loans and advances | 14,145.13 | 33,793.10 |
| | **Sub-Total- Non current assets** | **930,145.06** | **857,246.10** |
| 2 | **Current assets** | | |
| | a) Current Investments | 7,202.11 | 2,253.16 |
| | b) Inventories | 31,677.09 | 19,485.89 |
| | c) Trade Receivables | 732.61 | 93.37 |
| | d) Cash and cash equivalents | 8,144.36 | 7,908.34 |
| | (e) Short term loans and advances | 13,848.35 | 16,133.74 |
| | (f) Other current assets | 771.37 | 545.29 |
| | **Sub-Total- current assets** | **62,375.89** | **46,419.79** |
| | **TOTAL ASSETS** | **992,520.95** | **903,665.89** |

**NOTES**

1 Corresponding previous year figures have been reclassified as per revised schedule VI wherever appropriate, to confirm the current year's presentation.

2 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'

3 There is no reportable segment in accordance with AS-17 since the part of the Company's project is under construction stage.

4 The above audited results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on November 9, 2012.

**By order of the Board**

Place : Kolkata
Date : November 9, 2012

**N C Behl**
(Wholetime Director)

**B. Chhawchharia & Co.**

Chartered Accountants

8A & 8B, Satyam Towers
3, Alipore Road, Kolkata - 700 027, India
Tel : (91-33) 2479 1951, Fax : (91-33) 2479 1952
E-mail : contact@bccoindia.com

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 September 30, 2012 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.

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.

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

**Vikram Dhanania**
*Partner*
Membership No. 060568
Address: 8A & 8B, Satyam Towers
3, Alipore Road
Kolkata - 700 027

Kolkata
November 9, 2012

