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: February 6, 2012

1) To,
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 023

Kind Attention: Mr Pavan Naik

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

Kind Attention: Ms Shital / Ms Radhika

Sub: Outcome of the Meeting of the Board of Directors of Electrosteel Steels Limited held on February 6, 2012.

Dear Sir/ Madam,

Enclosed, please find herewith the unaudited financial results of the Company for the quarter ended 31.12.2011 duly reviewed and approved by the Board of Directors in its meeting held on February 6, 2012.

This is to further inform you that the Board Meeting of the Company held on February 6, 2012 concluded with the following material outcome;

1) Mr Lalit Kumar Singhi has been appointed as the 'Additional Non Executive Independent Director' of the Company.

2) Mr Sanjoy Tekriwal, Non Executive Independent Director of the Company has resigned from the Board of the Company.

3) The Company will be signing an Offtake Agreement with Stemcor India Pvt Ltd and/or Electrosteel Castings Limited, for securitization of its future receivables of sale proceeds of Ductile Iron pipes and Pig Iron.

Thanking You,

For Electrosteel Steels Limited

Vikram Saraogi
Company Secretary

Enclsd : 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 ended December 31, 2011

(Rs in lacs)

	Particulars	Three months ended			Nine months ended		Year ended
		31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales / Income from Operations	15.93	-	-	247.42	-	738.72
	Other Operating Income	8.85	-	-	61.65	-	4.47
	Total	24.78	-	-	309.07	-	743.19
2	Expenditure			-		-	
	(Increase) / decrease in stock in trade and work in progress	(241.97)	-	-	(113.38)	-	(251.24)
	Consumption of raw materials	392.73	-	-	502.00	-	1,196.58
	Purchase of traded goods	-	-	-	-	-	-
	Employees cost	150.98	95.46	-	319.07	-	13.63
	Depreciation	614.38	455.98	-	1,523.29	-	104.32
	Other Expenditure	245.45	297.76	-	813.01	-	158.89
	Total	1,161.57	849.20	-	3,043.99	-	1,222.18
3	Profit from operations before other income, interest and exceptional items (1-2)	(1,136.79)	(849.20)	-	(2,734.92)	-	(478.99)
4	Other Income	-	-	-	-	22.00	22.00
5	Profit before other income, interest and exceptional items (3+4)	(1,136.79)	(849.20)	-	(2,734.92)	22.00	(456.99)
6	Interest	2,175.41	1,460.87	-	4,570.54	-	156.36
7	Profit after interest but before exceptional items (5-6)	(3,312.20)	(2,310.07)	-	(7,305.46)	22.00	(613.35)
8	Exceptional items	-	-	-	-	-	-
9	Profit/ Loss from ordinary activities before tax (7+8)	(3,312.20)	(2,310.07)	-	(7,305.46)	22.00	(613.35)
10	Tax expenses	-	1.77	-	1.77	3.47	-
11	Net Profit / Loss from ordinary activities after tax (9-10)	(3,312.20)	(2,311.84)	-	(7,307.23)	18.53	(613.35)
12	Extraordinary item (net of tax expense)	-	-	-	-	-	-
13	Net Profit / Loss for the period (11-12)	(3,312.20)	(2,311.84)	-	(7,307.23)	18.53	(613.35)
14	Paid up equity share capital (Face Value of Rs 10 each)	203,473.50	203,473.50	203,473.50	203,473.50	203,473.50	203,473.50
15	Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year	-	-	-	-	-	-
16	**Earning per share (EPS)**						
	Basic and Diluted EPS before extraordinary items for the period, for the year to date and for the previous year (not to be annualised)	(0.16)	(0.11)	0.00	(0.36)	0.00	(0.03)
	Basic and Diluted EPS after extraordinary items for the period, for the year to date and for the previous year (not to be annualised)	(0.16)	(0.11)	0.00	(0.36)	0.00	(0.03)
17	**Public Shareholding**						
	Number of shares	1,331,235,023	1,334,735,023	1,334,735,023	1,331,235,023	1,334,735,023	1,334,735,023
	Percentage of shareholding	65.43%	65.60%	65.60%	65.43%	65.60%	65.60%
18	**Promoters and Promoter group shareholding**						
	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)	71.07%	71.43%	71.43%	71.07%	71.43%	71.43%
	Percentage of shares (as a % of the total Share Capital of the Company)	24.57%	24.57%	24.57%	24.57%	24.57%	24.57%
	Non Encumbered						
	Number of shares	203,500,000	200,000,000	200,000,000	203,500,000	200,000,000	200,000,000
	Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	28.93%	28.57%	28.57%	28.93%	28.57%	28.57%
	Percentage of shares (as a % of the total Share Capital of the Company)	10.00%	9.83%	9.83%	10.00%	9.83%	9.83%

NOTES

1 The Company's Integrated Steel & DI Pipe Plant in the State of Jharkhand, India, is under construction & erection. A part of the plant was commissioned in September 2010, and accordingly the proportionate expenditure related to the project under construction & erection has been accounted as 'Project Development Expenditure' pending capitalization.

2 The statement of assets and liabilties as at 31.12.2011 is as **(Rs/ Lacs)**

Particulars	**31.12.2011 (unaudited)**
Shareholders Funds	
a) Share Capital	203473.50
b) Reserves & Surplus	3,993.17
Loan Funds	579,248.66
Total Sources of Funds	**786,715.33**
Fixed Assets	755,781.23
Investments	5,043.44
Current Assets, Loans & Advances	
a) Inventories	8,729.72
b) Sundry Debtors	50.76
c) Cash & Bank Balances	6,320.63
d) Loans and Advances	13,380.14
Less: Current liabilities & Provisions	
a) Current Liabilities	10,283.54
b) Provisions	227.63
Profit & Loss Account	7,920.58
Total Application of Funds	**786,715.33**

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

4 The above unaudited results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on February 6, 2012 and have been subjected to the limited review by the Statutory Auditors of the Company.

5 Status of Investor Complaints for the quarter ended December 31, 2011

Complaints Pending at the beginning of the quarter	2
Complaints Received during the quarter	7
Complaints disposed off during the quarter	8
Complaints unresolved at the end of the quarter	1

By order of the Board

Place : Kolkata
Date : February 6, 2012

N C Bahl
(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 December 31, 2011 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
February 3, 2012

B. Chhawchharia & Co. KOLKATA Chartered Accountants