



Head Office:
GK Tower, 2nd & 3rd floor,
19, Camac Street, Kolkata – 700017
West Bengal, India
Board Number: + 91-33-7103 4400
Fax No: + 91-33-2290 2882
CIN: L27310JH2006PLC012663

Sec/Share/18-19/71

Date: 29th August, 2018

BY ONLINE FILING

**The Manager
Dept. of Corporate Services
BSE Ltd.**

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
Scrip Code : 533264

**The Manager
Listing Department
National Stock Exchange of India Ltd.,**

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
Scrip Code : ELECTROSL

Dear Sir/Madam,

Sub. : Outcome of the Board Meeting held on August 29, 2018

We would like to inform you that the Board of Directors of the Company in their Meeting held today i.e. 29th August, 2018 has inter alia :

1. Approved the Audited Financial Results of the Company for the quarter and year ended 31st March, 2018.

Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, we enclose the following:

- a. Audited Financial Results for the quarter and year ended 31st March, 2018
- b. Auditor's Report on the Audited Financial Results and
- c. Declaration for Audit Report with un-modified opinion of Statutory Auditors

2. Approved the Un-audited Financial Results of the Company for the quarter ended 30th June, 2018.

Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, we enclose the following:

- a. Un-Audited Financial Results for the quarter and year ended 30th June, 2018
- b. Limited Review Report of the Statutory Auditors of the Company

3. Appointed Mr. Jalaj Kumar Malpani, as Chief Financial Officer (Key Managerial Personnel) of the Company with immediate effect.

Pursuant to Reg. 30(2) read with Para A of Part A of Schedule III of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the information as prescribed for the appointment of a Key Managerial Personnel is enclosed herewith.





ELECTROSTEEL STEELS LIMITED

Head Office:
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19, Camac Street, Kolkata – 700017
West Bengal, India
Board Number: + 91-33-7103 4400
Fax No: + 91-33-2290 2882
CIN: L27310JH2006PLC012663

4. 11th Annual General Meeting of the Company will be held on **Saturday, 29th September, 2018.**

The Meeting of the Board of Directors commenced at 2:00 P.M. and concluded at 6:10 P.M.

Thanking you,

Yours faithfully,

For **ELECTROSTEEL STEELS LIMITED**

(Binaya Kumar Dash)
Company Secretary
ACS-17982



Encl.: As stated above

Details under Reg. 30 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 read along with SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 :

Sl. No.	Particulars	Details
1	Reason for change	Appointment
2	Date of appointment	29.08.2018
3	Brief Profile	Mr. Jalaj Kumar Malpani is a Chartered Accountants with 27 years of rich experience. He has been the CFO for Alumina business of Vedanta Group, since 2013. Prior to Vedanta Group, Mr. Malpani had worked with SAIL at Bokaro and Kolkata for 14 years.
4	Disclosure of relationship between directors (in case of appointment of a director)	Not Applicable





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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2018

(Rs.in lakhs except as stated)

Particulars	Quarter Ended			Year Ended	
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018	Mar 31, 2017
	Audited	Unaudited	Audited	Audited	Audited
1 Income					
Revenue from operations	114,903.07	84,838.64	74,283.12	353,283.40	277,818.20
Other Income	3,188.79	870.04	5,967.88	8,843.06	9,767.78
Total income	118,091.86	85,708.68	80,251.00	362,126.46	287,585.98
2 Expenses					
Cost of materials consumed	73,995.75	47,344.33	43,729.07	221,651.85	153,425.33
Changes in inventories of finished goods, work-in-progress and stock in trade	2,814.93	13,242.94	2,250.21	8,085.98	11,709.47
Excise duty on sale of goods	-	-	6,668.12	6,629.74	23,304.94
Employee benefits expense	3,680.98	3,730.39	3,485.92	14,760.42	13,117.63
Finance costs	(5,837.48)	28,501.79	27,952.63	78,995.91	112,581.08
Depreciation and amortisation expense	17,330.68	12,016.07	11,786.17	53,415.20	47,878.97
Other Expenses	19,756.80	13,637.48	13,712.61	68,636.70	71,916.55
Total expenses	111,741.66	118,473.00	109,584.73	452,175.80	433,933.97
3 Profit/(Loss) before tax and exceptional items	6,350.20	(32,764.32)	(29,333.73)	(90,049.34)	(146,347.99)
4 Exceptional items (Refer Note no. 5)	(533,585.81)	-	-	(523,835.81)	-
Profit/(Loss) before tax	(527,235.61)	(32,764.32)	(29,333.73)	(613,885.15)	(146,347.99)
5 Tax expense					
Current Tax	-	-	-	-	-
Deferred Tax	-	-	-	-	-
6 Profit/(Loss) for the Period	(527,235.61)	(32,764.32)	(29,333.73)	(613,885.15)	(146,347.99)
7 Other Comprehensive Income (OCI)					
i. Items that will not be reclassified to profit or loss: Remeasurement of defined benefit plans	(109.62)	5.79	57.91	(92.24)	24.91
ii. Income tax relating to Items that will not be reclassified to profit or loss	-	-	-	-	-
Other Comprehensive Income (OCI) for the period	(109.62)	5.79	57.91	(92.24)	24.91
8 Total comprehensive income for the period	(527,345.23)	(32,758.53)	(29,275.82)	(613,977.39)	(146,323.08)
9 Paid up equity share capital (Face Value of Rs. 10/- each)	240,923.50	240,923.50	240,923.50	240,923.50	240,923.50
10 Other equity excluding revaluation reserve				(911,685.49)	(297,708.10)
11 Earnings Per Share of Rs. 10/- each (not annualised):					
(a) Basic	(21.88)	(1.36)	(1.22)	(25.48)	(6.07)
(b) Diluted	(21.88)	(1.36)	(1.22)	(25.48)	(6.07)



(Rs. in lakhs)

Statement of Assets and Liabilities	As at Mar 31, 2018	As at Mar 31, 2017
SETS		
Non- Current Assets		
(a) Property, plant and equipment	516,160.32	991,007.52
(b) Capital work-in-progress	91,943.13	179,907.04
(c) Other Intangible assets	82.54	177.87
(d) Financial Assets		
i. Loans	871.62	812.50
ii. Other Financial Assets	3.25	3.32
(e) Current Tax Assets (net)	494.75	377.22
(f) Other non-current assets	3,173.01	8,288.03
Current Assets		
(a) Inventories	84,472.78	79,176.20
(b) Financial Assets		
i. Trade receivables	18,251.97	12,720.47
ii. Cash and cash equivalents	4,151.71	9,502.03
iii. Bank Balances other than (ii) above	64,681.37	3,904.82
iv. Others financial assets	982.22	141.68
(c) Other current assets	11,824.05	15,937.63
TOTAL ASSETS	797,092.72	1,301,956.33
EQUITY & LIABILITIES		
Equity		
(a) Equity Share capital	240,923.50	240,923.50
(b) Other Equity	(911,685.49)	(297,708.10)
Liabilities		
Non - Current Liabilities		
(a) Financial Liabilities		
i. Borrowings	-	691,979.13
ii. Other financial liabilities	-	35.40
(b) Provisions	1,190.30	764.05
Current liabilities		
(a) Financial Liabilities:		
i. Borrowings	42,045.88	69,629.26
ii. Trade Payables	110,661.13	42,074.29
iii. Other financial liabilities	1,266,143.33	524,434.16
(b) Other current liabilities	24,925.01	29,492.58
(c) Provisions	22,889.06	332.06
TOTAL EQUITY AND LIABILITIES	797,092.72	1,301,956.33



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 Audit 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 The Company incurred significant amount of losses, its current liabilities became in excess of current assets and net worth got eroded. Interest and other terms and condition of repayment etc. as per the "Corporate Debt Restructuring package" (CDR) sanctioned on September 28, 2013 could not be complied with and lenders in terms of RBI Circular dated July 08, 2015 and September 24, 2015, invoked "Strategic Debt Restructuring" (SDR) in respect of the Company. Pending implementation of SDR, State Bank of India in its capacity as financial creditor filed a petition on June 27, 2017 under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT). On July 21, 2017, the NCLT vide its order of even date admitted the said petition and Corporate Insolvency Resolution Process (CIRP) has been initiated in terms of IBC and related rules and regulation issued thereunder.

CIRP has been completed vide NCLT order dated April 17, 2018 (NCLT Order) and resolution plan submitted by one of the applicant Vedanta Limited (Vedanta) has been approved (ARP) by NCLT and thereby Board of Directors ('Board') of the Company has been reconstituted on June 4, 2018, with nominees of Vedanta being inducted as member of the Board. Subsequent to ARP, the appeal filed before NCLAT has been dismissed by NCLAT vide its order dated August 10, 2018 (NCLAT Order) and NCLT Order has been upheld.

Accordingly, keeping in view the NCLT Order confirmed by the NCLAT as above:

- i) The Company has restated its financial liabilities as per the claims admitted and thereby in respect of Financial Creditors reversed Interest pertaining to the period from July 22, 2017 to March 31, 2018 amounting to Rs. 74,340.29 lakhs provided in accordance with the rates and terms and conditions stipulated originally as per CDR Package or otherwise stipulated/advised in this respect. Further, additional liability amounting to Rs. 40,238.39 lakhs relating to Interest as admitted has been recognised in these financial statements. Consequential impact with respect to these have been given to in the finance costs for the period.
- ii) In respect of Operational Creditors, the Company has provided for Rs.22,642.80 lakhs, representing the net differential with respect to the amount of claim admitted pursuant to CIRP process and those appearing in books of account. Pending final adjustments as given in (a) below, this has been recognised and disclosed as 'Provision for claims admitted pursuant to CIRP' and included under Exceptional Items.
- iii) 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.
- iv) 739,91,32,055 equity shares of Rs. 10 each were allotted on June 6, 2018 to financial creditors converting their balance amount of outstanding i.e. non-sustainable debt, to equity share capital.
- v) 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 0.20 each thereafter has been consolidated into 1 fully paid-up equity share of Rs. 10 each.
- vi) The reconstituted board of directors in its meeting held on June 15, 2018 has approved allotment of 176,55,06,078 fully paid equity shares of Rs. 10 each to Vedanta Star Limited against the money deposited in Escrow Account as above, leaving the balance to be treated as loan bearing interest.
- vii) Consequent to above allotment and consolidation of shares, equity share capital of the company as on June 15, 2018 stands at Rs. 19,61,67.34 lakhs divided into 196,16,73,420 equity shares of Rs.10 each.

NCLT Order dated April 17, 2018 approving ARP has been passed subsequent to the end of the reporting period. Accordingly, the adjustments arising out of ARP has been considered to be non-adjusting event and consequential adjustments have therefore not been given effect to in these financial statements.

- 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 In respect of Auditor's observations on the results of the previous quarter regarding certain disclosures/adjustments etc. the following steps have been taken and consequential effect has been given in the results for the period:
 - a) In respect of Financial Creditors, as indicated in Note no. 3 above, the Company has reversed the Interest liability accrued for the period from July 22, 2017 to March 31, 2018 and accounted for the interest as admitted pursuant to the NCLT Order;
 - b) In respect of Operational Creditors, the Company has provided for the differential amount of claims admitted; and
 - c) The Company has carried out the Impairment testing of Property, Plant and Equipment (PPE), Intangible Assets and Capital Work in Progress (CWIP) considering the Value In Use of Cash Generating Unit ("CGU") (the same being higher than fair value less costs of disposal i.e. transaction price in terms of ARP) based on the Valuation carried out by an Independent Valuer appointed in this respect and loss on account of Impairment determined has been recognised during the period.
- 6 Exceptional items relate to
 - a) Rs. 10,000.00 lakhs received from the insurers against 'Loss of profit' claim made by the company due to the accident at the oxygen plant in May, 2016 as Interim payment. The balance amount will be recognised on acceptance thereof by the insurance authorities or on certainty of realisation thereof;
 - b) Provision for Claims of operational creditors amounting to Rs. 22,642.80 lakhs admitted pursuant to CIRP recognised as indicated in Note no. 3 above; and
 - c) Impairment Loss recognised in respect of PPE, Intangible Assets and CWIP amounting to Rs.4,33,869.51 lakhs, Rs. 43.39 lakhs and Rs.77,280.11 lakhs respectively as indicated in Note no. 5(c) above.



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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.

Goods and Service Tax ("GST") has been implemented with effect from July 01, 2017 and therefore Revenue from Operations for the quarter ended December 31, 2017 and March 31, 2018 are net of GST. Revenue from operations and expenses for the quarter and year ended March 31, 2017 being inclusive of excise duty are not comparable.

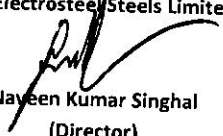
- 9 Post-acquisition of the Company pursuant to the ARP, the new management had to understand and take control of operations of the Company. Further, the effect of ARP on the financial statements had to be carefully analysed and understood to prepare the financial statements in a manner such that the said financial statements present a true and fair view for quarter and year ended March 31, 2018. It is for these reasons, that the financial statements could now be completed and have been reviewed by the Audit Committee and approved by the Board of Directors as of this date. The Company's request seeking extension of the time to file the financial result is pending for final decision by Securities and Exchange Board of India.
- 10 The figures for the quarters ended March 31, 2018 and March 31, 2017 are the balancing figures between the audited figures in respect of the full financial year and the year to date upto the quarter ended December 31 of the respective years.
- 11 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)



**Independent Auditors' Report on Standalone Financial Results
for the quarter and year ended 31st March 2018****The Board of Directors of
Electrosteel Steels Limited**

1. We have audited the accompanying statement of standalone quarterly financial results of Electrosteel Steels Limited ('the Company') for the quarter and year ended March 31, 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Regulations'), read with SEBI circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016 and has been initiated by us for identification. The financial results for the quarter ended March 31, 2018 have been prepared on the basis of the audited financial statements for the year ended March 31, 2018 and the financial results for the nine months ended December 31, 2017, which were subject to limited review and are the responsibility of the company's management and have been approved by the Board of Directors of the Company.
2. Our responsibility is to express an opinion on these financial results based on our audit of the financial results as at and for the year ended March 31, 2018 and our review of the financial results for the nine month period ended December 31, 2017, which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable and other accounting principles generally accepted in India and the relevant requirements of the SEBI Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results read with notes thereon:
 - I. are presented in accordance with the requirements 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, in this regard; and
 - II. gives a true and fair view of the net loss, total comprehensive income and other financial information for the quarter and year ended March 31, 2018.



- 5(a). Attention is invited to Note no. 5(c) of the statement regarding exceptional item which includes Rs. 511,193.01 lakhs recognised as impairment against Property, Plant and Equipments, Intangible Assets and Capital Work in Progress based on valuation carried out by an Independent Valuer, upon which reliance has been placed by us.
- (b) The comparative Ind AS financial information of the Company for the corresponding quarter and year ended March 31, 2017 were audited by the predecessor auditor, M/s B Chhawchharia & Co, Chartered Accountants who expressed unmodified opinion vide their reports dated May 15, 2017 and reliance has been placed by us on the same for the purpose of this report.
- (c) These financial results include the results for the quarter ended March 31, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto December 31 of the relevant financial year, which were subject to limited review by us as stated in Paragraph 1 above, as required under 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
- (d) Our opinion is not modified in respect of the above matter.

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: 52438



Head Office:
GK Tower, 2nd & 3rd floor,
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CIN: L27310JH2006PLC012663

Date: 29th August, 2018

**The Manager
Dept. of Corporate Services
BSE Ltd.**

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
Scrip Code : 533264

**The Manager
Listing Department
National Stock Exchange of India Ltd.,**

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
Scrip Code : ELECTROSL

Dear Sir/Madam,

Sub. : Declaration pursuant to Regulation 33 (3) (d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

In compliance with the provisions of Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as amended till date, we hereby declare that the Statutory Auditors of the Company, M/s. Lodha & Co., Chartered Accountants, (Firm Registration No.: 301051E) have issued the Audit Report with unmodified opinion on Audited Financial Results of the Company for the quarter and year ended 31st March, 2018.

Request you to take the same on record.

Thanking you,
Yours faithfully,
For **ELECTROSTEEL STEELS LIMITED**


(Naveen Kumar Singhal)
Director
DIN: 02642057





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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)



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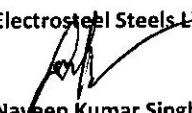
The above financial results which have been prepared in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016, have been reviewed by Audit Committee and approved by the Board of Directors at its meeting held 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