

***Review Report on Quarterly Financial Results and Year to Date Results of the Company  
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015***

To the Board of Directors of M/s ELECTROSTEEL STEELS LIMITED

We have reviewed the accompanying statement of unaudited financial results of M/s ELECTROSTEEL STEELS LIMITED for the quarter & nine months ended December 31, 2015. 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 Engagement (SRE) 2400, *Engagements to Review Financial Statements* 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.

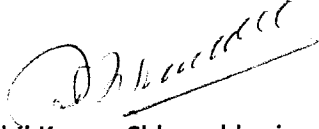
Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Kolkata

February 11, 2016



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

  
**Sushil Kumar Chhawchharia**  
Partner  
Membership No. 008482



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 Standalone Unaudited Results for the Quarter and Nine Months Ended 31/12/2015

PART I

₹ in lakhs)

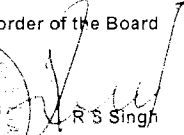
Particulars	3 months ended	Preceding 3	Corresponding	Year to date	Year to date	Previous year
	31/12/2015	months ended	3 months ended	figures for	figures for	ended
	Unaudited	30/09/2015	in the previous	current period	previous year	(31/03/2015)
	Unaudited	Unaudited	year	ended	ended	Audited
			(31/12/2014)	(31/12/2015)	(31/12/2014)	
<b>1 Income from Operations</b>						
(a) Net sales/income from operations (Net of excise duty)	59,147.64	57,155.72	49,803.04	1,67,812.14	1,25,891.62	1,78,981.84
(b) Other Operating Income	2,391.47	2,239.07	1,135.08	6,025.40	4,255.99	4,142.23
<b>Total income from operations (net)</b>	<b>61,539.11</b>	<b>59,394.79</b>	<b>50,938.12</b>	<b>1,73,837.54</b>	<b>1,30,147.61</b>	<b>1,83,124.07</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	45,076.28	43,090.35	39,379.74	1,37,098.82	1,01,869.45	1,48,057.38
(b) Purchase of stock-in trade	-	61.36	4,190.81	494.77	5,814.76	5,861.80
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	1,373.09	1,538.38	(8,602.37)	(7,930.85)	(20,593.29)	(20,718.24)
(d) Employee benefits expense	2,411.65	1,834.86	1,166.55	5,972.35	3,143.31	4,473.22
(e) Depreciation and ammortisation expense	5,076.43	5,068.14	5,076.79	15,150.75	15,177.26	20,085.09
(f) Other Expenses (Any item exceeding 10% of total expenses relating to continuing operations to be shown separately)	16,789.43	14,672.46	12,488.04	45,570.37	30,960.83	44,155.31
<b>Total expenses</b>	<b>70,726.88</b>	<b>66,265.55</b>	<b>53,699.56</b>	<b>1,96,356.21</b>	<b>1,36,372.32</b>	<b>2,01,914.56</b>
<b>3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1- 2)</b>	<b>(9,187.77)</b>	<b>(6,870.76)</b>	<b>(2,761.44)</b>	<b>(22,518.67)</b>	<b>(6,224.71)</b>	<b>(18,790.49)</b>
4 Other Income	82.86	156.42	161.40	557.27	1,130.28	1,560.49
<b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)</b>	<b>(9,104.91)</b>	<b>(6,714.34)</b>	<b>(2,600.04)</b>	<b>(21,961.40)</b>	<b>(5,094.43)</b>	<b>(17,230.00)</b>
6 Finance Costs	13,058.15	13,434.85	12,265.01	39,130.75	34,179.10	45,173.13
<b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)</b>	<b>(22,163.06)</b>	<b>(20,149.19)</b>	<b>(14,865.05)</b>	<b>(61,092.15)</b>	<b>(39,273.53)</b>	<b>(62,403.13)</b>
8 Exceptional items	-	-	-	-	-	-
<b>9 Profit / (Loss) from ordinary activities before tax (7 ± 8)</b>	<b>(22,163.06)</b>	<b>(20,149.19)</b>	<b>(14,865.05)</b>	<b>(61,092.15)</b>	<b>(39,273.53)</b>	<b>(62,403.13)</b>
10 Tax expense	0.00	-	-	0.00	-	1.10
<b>11 Net Profit / (Loss) from ordinary activities after tax (9 + 10)</b>	<b>(22,163.06)</b>	<b>(20,149.19)</b>	<b>(14,865.05)</b>	<b>(61,092.15)</b>	<b>(39,273.53)</b>	<b>(62,404.23)</b>
12 Extraordinary items (net of tax ₹ xpense )	-	-	-	-	-	-
<b>13 Net Profit / (Loss) for the period (11 + 12)</b>	<b>(22,163.06)</b>	<b>(20,149.19)</b>	<b>(14,865.05)</b>	<b>(61,092.15)</b>	<b>(39,273.53)</b>	<b>(62,404.23)</b>
14 Share of profit / (loss) of associates	NA	NA	NA	NA	NA	NA
15 Minority Interest	NA	NA	NA	NA	NA	NA
<b>16 Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 ± 14 ± 15)</b>	<b>(22,163.06)</b>	<b>(20,149.19)</b>	<b>(14,865.05)</b>	<b>(61,092.15)</b>	<b>(39,273.53)</b>	<b>(62,404.23)</b>
17 Paid up equity share capital (Face Value of Rs10/- each)	2,40,923.50	2,40,923.50	2,40,923.50	2,40,923.50	2,40,923.50	2,40,923.50
18 Reserve excluding Revaluation Reserve as per Balance Sheet of previous accounting year	-	-	-	-	-	(1,31,639.57)
<b>19 i Earnings Per Share (before extraordinary items) (of ₹ 10/- each) (not annualised):</b>						
(a) Basic	(0.92)	(0.84)	(0.62)	(2.54)	(1.63)	(2.68)
(b) Diluted	(0.92)	(0.84)	(0.62)	(2.54)	(1.63)	(2.68)
<b>19 ii Earnings Per Share (after extraordinary items) (of ₹ 10/- each) (not annualised):</b>						
(a) Basic	(0.92)	(0.84)	(0.62)	(2.54)	(1.63)	(2.68)
(b) Diluted	(0.92)	(0.84)	(0.62)	(2.54)	(1.63)	(2.68)


#### NOTES

- 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 balance proportionate expenditure related to the plant under construction & erection continues to be accounted as 'Project Development Expenditure' pending capitalization under 'Capital Work-in-Progress'.
- In view of the Company incurring losses continuously & current liabilities exceeding the current assets, there has been an erosion of net worth by more than fifty percent. Due compliance of the sanctioned CDR package could also not be met with. The lenders have since invoked the 'Strategic Debt Restructuring (SDR)' pursuant to RBI Circular dated June 08, 2015, and the implementation thereof is under progress. Considering the above developments the company has presented these financial statements on going concern basis.



- 3 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.
- 4 Previous quarters / year figures have been reclassified wherever appropriate to confirm to current year's presentation.
- 5 The above unaudited results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on 11th February 2016. The Statutory Auditors have conducted the Limited Review of the Financial Results.

By order of the Board  
  
R S Singh  
(Wholetime Director)  
DIN : 02093276



Place : Kolkata  
Date : 11th February 2016