

ELECTROSTEEL STEELS LIMITED

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/17-18/11

Date: 15th May, 2017

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 :ESL

Dear Sir,

Sub. : Outcome of the Board Meeting held on May 15th, 2017

We would like to inform you that the Board of Directors of the Company in its Meeting held today has taken on record the Audited Financial Results for the quarter and year ended 31st March, 2017. Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, we enclose the following:

1. Audited Financial Results for the quarter and year ended 31st March, 2017.
2. Auditor's Report on the Audited Financial Results and
3. Declaration for Audit Report with un-modified opinion

The Report of Auditors is with un-modified opinion with respect to the Audited Financial Results of the Company for the quarter/year ended 31st March, 2017.

We further inform that the Board has recommended the appointment of M/s. Lodha & Co., Chartered Accountants (FRN 301051E) as Statutory Auditors of the Company for a period of five years from the conclusion of ensuing 10th Annual General Meeting, subject to approval of the shareholders.

Pursuant to SEBI's Circular dated 9th September, 2015, Profile of M/s. Lodha & Co., Chartered Accountants, is as follows:

Lodha & Co, was founded in 1941 and the Firm has 15 Partners, consisting of a dedicated team of Professionals. The Head Office is at Kolkata and branches in Mumbai, Delhi, Hyderabad, Chennai and Jaipur. It has presence in all major business groups, banks and various Government and Non-Government Organisations in India. They have experience of

Regd Office : 801, Uma Shanti Apartments, Kanke Road, Ranchi-834 008, Jharkhand, India Tel: 0651 2285636

www.electrosteelsteels.com





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working with several multi-national Companies, listed entities and Companies with multiple products and services.

The Meeting of the Board of Directors commenced at 3:00 P.M. at concluded at 5:15 P.M.

Thanking you,

Yours faithfully,

For **ELECTROSTEEL STEELS LIMITED**

(Binaya Kumar Dash)
Company Secretary
ACS-17982



Encl.: As stated 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
 CIN - L27310JH2006PLC012663, Tel and fax 0651-2285636, Website: www.electrosteelsteels.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER/ YEAR ENDED 31ST MARCH, 2017

₹ in lakhs except,
per share data

Particulars	Quarter Ended			Year Ended	
	31 Mar'17	31 Dec'16	31 Mar'16	31 Mar'17	31 Mar'16
	Audited	Unaudited	Audited	Audited	Audited
1 Income					
Revenue from operations	74,283.12	50,738.41	94,520.05	277,429.58	288,875.89
Other Income	5,967.88	3,795.13	973.13	9,353.12	1,571.44
Total income	80,251.00	54,533.54	95,493.18	286,782.70	290,447.33
2 Expenses					
Cost of materials consumed	43,729.07	27,295.43	47,123.84	153,425.33	184,222.66
Purchase of stock-in trade	-	-	(0.00)	-	494.77
Changes in inventories of finished goods, work-in-progress and stock in trade	2,250.21	3,088.74	744.90	11,709.47	(7,185.95)
Excise duty on sale of goods	6,668.12	4,386.71	8,588.13	23,304.94	29,106.42
Employee benefits expense	3,485.92	3,273.45	2,446.52	13,117.63	8,403.97
Finance costs	27,952.63	28,266.73	13,434.79	112,983.05	52,663.27
Depreciation and amortisation expense	11,786.17	11,936.10	5,107.18	47,882.30	20,257.93
Other Expenses	13,712.61	17,627.14	19,184.91	70,707.97	66,935.60
Total expenses	109,584.73	95,874.30	96,630.27	433,130.69	354,898.67
3 Profit/(Loss) before tax and exceptional items	(29,333.73)	(41,340.76)	(1,137.09)	(146,347.99)	(64,451.34)
6 Exceptional Items			(27,651.92)	-	(27,651.92)
Profit/(Loss) before tax	(29,333.73)	(41,340.76)	26,514.83	(146,347.99)	(36,799.42)
4 Tax expense					
Current Tax	-	-	-	-	-
Deferred Tax	-	-	-	-	-
7 Profit/(Loss) for the Period	(29,333.73)	(41,340.76)	26,514.83	(146,347.99)	(36,799.42)
8 Other Comprehensive Income (OCI)					
i. Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit plans	57.91	(11.58)	(4.96)	24.91	(19.86)
ii. Income tax relating to Items that will not be reclassified to profit or loss	-	-	-	-	-
Total comprehensive income for the period	(29,275.82)	(41,352.34)	26,509.87	(146,323.08)	(36,819.28)
9 Paid up equity share capital (Face Value of 10₹ each)	240,923.50	240,923.50	240,923.50	240,923.50	240,923.50
10 Other equity excluding revaluation reserve				(297,708.11)	(151,385.02)
11 Earnings Per Share					
(of ₹10/- each) (not annualised):					
(a) Basic	(1.22)	(1.72)	1.10	(6.07)	(1.53)
(b) Diluted	(1.22)	(1.72)	1.10	(6.07)	(1.53)



Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
ASSETS		
Non-Current Assets		
(a) Property, plant and equipment	991,007.52	1,037,207.67
(b) Capital work-in-progress	179,907.04	175,054.14
(c) Intangible assets	177.87	242.43
(d) Financial Assets		
i. Other Financial Assets	815.82	788.08
(e) Other non-current assets	8,288.03	10,153.16
Total Non-Current Assets	1,180,196.28	1,223,445.48
Current Assets		
(a) Inventories	79,176.19	73,576.25
(b) Financial Assets		
i. Trade receivables	12,720.47	25,074.83
ii. Cash & cash equivalents	9,513.91	1,145.60
iii. Bank Balances other than (ii) above	3,904.82	4,148.29
iv. Others financial assets	152.57	126.70
(c) Current Tax Assets (net)	377.22	311.91
(d) Other current assets	15,611.14	15,395.18
Total Current Assets	121,456.32	119,778.76
TOTAL ASSETS	1,301,652.60	1,343,224.24
EQUITY & LIABILITIES		
Equity		
(a) Equity Share capital	240,923.50	240,923.50
(b) Other Equity	(297,708.11)	(151,385.02)
Liabilities		
Non - Current Liabilities		
(c) Financial Liabilities		
i. Borrowings	680,878.94	815,914.81
ii. Other financial liabilities	35.40	35.41
(d) Provisions	833.90	596.20
Total Non-Current Liabilities	624,963.63	906,084.90
Current liabilities		
(e) Financial Liabilities:		
i. Borrowings	69,629.27	64,378.70
ii. Trade Payables	40,937.51	36,571.64
iii. Other financial liabilities	536,675.19	306,379.14
(f) Other current liabilities	29,184.79	29,600.05
(g) Provisions	262.21	209.81
Total Current Liabilities	676,688.97	437,139.34
TOTAL EQUITY AND LIABILITIES	1,301,652.60	1,343,224.24

NOTES

- The Company's Integrated Steel & DI Pipe Plant is in the State of Jharkhand, India. A part of plant facility is still under construction & erection and the expenditure related thereto continues to be accounted as 'Project Development Expenditure' pending capitalisation.
- The Company has incurred significant amount of losses leading to erosion of net worth and the Current liabilities exceeds the current assets. The lenders have since invoked the 'Strategic Debt Restructuring' (SDR) pursuant to RBI Circulars dated June 08, 2015 and Sept 24, 2015 since due compliance of the sanctioned CDR package could not be met with and the implementation thereof is under progress. The company has positive EBIDTA in the current and previous financial year. The Company is seeking potential investment of necessary funds. Considering the above developments and favorable impact thereof on the financials of the Company and its operations, the Company has prepared these financial statements on going concern basis.
- (a) These Financial Results have been prepared in accordance with the IND-AS notified under Companies (Indian Accounting Standards) Rules 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules 2016. IND-AS has been made applicable with effect from April 1, 2016 and the comparative figures for the corresponding quarter and year ended 31st March 2016 (transition date being April 1, 2015) have accordingly been restated.
(b) Adjustments carried out in consequent to implementation of IND-AS includes fair value as deemed cost for property, plant and equipment, the fair value of financial instruments, etc. Impact of these adjustments have been recognised in retained earnings, other comprehensive income or statement of profit and loss as required in terms of relevant provisions of IND-AS. Deferred tax impact on transitional adjustments is not arising in terms of the provisions of IND-AS 12 'Income Taxes' and has therefore not been considered.
- The Company's activities during the period were relating to setting up of its Integrated Steel & DI Pipe Plant. A part of the plant facility has commenced production. Considering the nature of the Company's business operations and future prospects and possible capacity utilisation etc., there are no separate reportable segments (business and/ or geographical) in accordance with the requirements of IND AS 108 'Operating Segments'.



5 Reconciliation between financial results, as previously reported (referred to as "Previous GAAP") and IND-AS for the quarter and year ended 31st March, 2016 are presented as under:

₹ in lakhs)

Particulars (Refer Note No.: 4)	Profit reconciliation		Other Equity
	3 months ended (31st March 2016)	Year ended (31st March 2016)	Year ended (31st March 2016)
Net Loss/other equity under Previous GAAP	28,437.53	(32,654.63)	(164,294.20)
Finance Costs as per Effective Interest Rate method	(34.07)	(131.81)	(131.81)
Effect of fair valuation of financial assets	13.98	55.03	(127.89)
Effect of fair valuation of forward/ derivative contracts	(631.30)	172.54	118.76
Fair valuation/ deemed cost and other adjustment for Property, plant and equipment	(1,277.66)	(4,278.97)	13,076.57
Others	6.35	38.42	129.57
Net Profit/ (Loss) for the period under IND-AS	26,514.83	(36,799.42)	(151,229.00)
Other Comprehensive Income (net of taxes)			
Actuarial gain/ (loss) on employees defined benefit	(4.96)	(19.86)	(156.02)
Total Comprehensive Income/ other equity under IND-AS	26,509.87	(36,819.28)	(151,385.02)

6 The figures for the quarters ended March 31, 2017 and March 31, 2016 are the balancing figures between the audited figures in respect of the full financial year and the year to date upto the quarter ended 31st December of the respective years.

7 Previous quarters / year figures have been reclassified wherever appropriate to confirm to current year's presentation.

8 The above results were reviewed by the Audit Committee and thereafter approved by the Board of Directors at its meeting held on 15th May 2017.

Place : Kolkata
Date: May 15, 2017

For and on Behalf of the Board of Directors

Rama Shanker Singh
Whole Time Director
DIN: 02093276



Independent Auditor's Report on Financial 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

Report on the Financial Statements

1. We have audited the financial results of M/s ELECTROSTEEL STEELS LIMITED ('the Company') for the year ended 31 March 2017, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to Note 6 to the financial results regarding the figures for the quarter ended 31 March 2017 as reported in these financial results, which are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. These financial results are based on the financial statements for the year ended 31 March 2017 prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and published year to date figures up to the end of the third quarter of the financial year prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, specified under Section 133 of the Act, and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the financial statements for the year ended 31 March 2017 and our review of financial results for the nine months period ended 31 December 2016.
2. 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 misstatement(s). 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.

Opinion

3. In our opinion and to the best of our information and according to the explanations given to us, the financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars



B. Chhawchharia & Co.

Continuation Sheet

Chartered Accountants

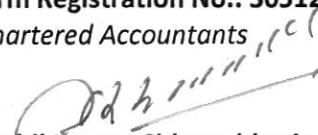
CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016 in this regard; and

- (ii) give a true and fair view of the net profit/loss (including other comprehensive income) and other financial information in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act for the year ended 31 March 2017.

Emphasis of Matters

4. The Company has prepared the financial statements on a "going concern basis". The Company incurred a net loss of Rs. 1,46,348.00 lacs during the year ended March 31, 2017 and, as of that date, the Company's current liabilities exceeded its current assets by Rs 5,55,232.65 lacs, further the Company's net worth has also been substantially eroded as at the balance sheet date. Since the full compliance of the sanctioned CDR package could not be met with, the lenders have invoked Strategic Debt Restructuring (SDR) pursuant to RBI circulars dated 08.06.2015 & 24.09.2015, the implementation whereof is under progress. Further there is increase in the operations of the production facilities and the Company's EBIDTA is positive also in this year. In view thereof these financial statements have been prepared on a "going concern basis" and no adjustment has been made to the carrying value of the assets and liabilities.
5. The Company had prepared separate financial results for the year ended 31 March 2016, based on the financial statements for the year ended 31 March 2016 prepared in accordance with {Accounting Standards ('AS') prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} and financial results for the nine months period ended 31 December 2015 prepared in accordance with the recognition and measurement principles laid down in {AS 25, Interim Financial Reporting, prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015}, and other accounting principles generally accepted in India, on which we issued auditor's report dated 13 May, 2016. These financial results for the year ended 31 March 2016 have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

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


Sushil Kumar Chhawchharia
Partner
Membership No. 008482



Kolkata
May 15, 2017



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Date: 15th May, 2017

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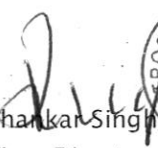
Dear Sir,


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. B. Chhawchharia & Co., Chartered Accountants, (Firm Registration No.: 305123E) have issued the Audit Report with unmodified opinion on Audited Financial Results of the Company for the quarter and year ended 31st March, 2017.

Request you to take the same on record.

Thanking you,
Yours faithfully,
For ELECTROSTEEL STEELS LIMITED


(Rama Shankar Singh)
Whole Time Director
DIN: 02093276

A circular stamp of Electrosteel Steels Limited, featuring the company logo in the center and the text 'ELECTROSTEEL STEELS LIMITED' around the perimeter.