

MIRA INFORM REPORT

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|---------------|------------|
| Report No. : | 541924 |
| Report Date : | 28.11.2018 |

IDENTIFICATION DETAILS

| | |
|--|---|
| Name : | ESSAR STEEL INDIA LIMITED (w.e.f. 18.01.2012) |
| Formerly Known As : | ESSAR STEEL LIMITED ESSAR CONSTRUCTIONS LIMITED |
| Registered Office : | Survey No. 353/354, 27 KM, Surat Hazira Road, Hazira, Surat – 394270, Gujarat |
| Tel. No.: | 91-261-2872400 |
| Country : | India |
| Financials (as on) : | 31.03.2016 |
| Date of Incorporation : | 01.06.1976 |
| CIN No.: [Company Identification No.] | U27100GJ1976FLC013787 |
| Capital Investment / Paid-up Capital : | INR 31532.300 Million |
| IEC No.: [Import-Export Code No.] | 0388147831 |
| PAN No.: [Permanent Account No.] | AAACE1741P |
| GSTN : [Goods & Service Tax Registration No.] | 24AAACE1741P1ZN (Gujarat) 29AAACE1741P1ZD (Karnataka) 09AAACE1741P1ZF (Uttar Pradesh) 22AAACE1741P1ZR (Chhattisgarh) 23AAACE1741P1ZP (Madhya Pradesh) 27AAACE1741P1ZH / 27AAACE1741P2ZG (Maharashtra) 33AAACE1741P1ZO (Tamilnadu) 06AAACE1741P1ZL (Haryana) 08AAACE1741P1ZH (Rajasthan) 21AAACE1741P1ZT (Odisha) |

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|---------------------------|--|
| | 05AAACE1741P1ZN (Uttarakhand) 03AAACE1741P1ZR (Punjab) 07AAACE1741P1ZJ (Delhi) 32AAACE1741P1ZQ (Kerala) 36AAACE1741P1ZI (Telangana) 04AAACE1741P1ZP (Chandigarh) 19AAACE1741P1ZE (West Bengal) 37AAACE1741P1ZG (Andhra Pradesh) |
| Legal Form : | A Closely Held Public Limited Liability Company |
| Line of Business : | Manufacturer and Selling of Hot Rolled Coils/ Cold Rolled Coils, Sheets, Plates and Extraction of Minerals. [Registered activity] |
| No. of Employees : | Information denied by the management |

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :

D

| Credit Rating | Explanation | Rating Comments |
|---------------|-------------|---|
| D | High Risk | Business dealing not recommended or on secured terms only |

| | |
|----------------------------|--|
| Status : | Poor |
| Payment Behaviour : | Slow and delayed |
| Litigation : | Exist |
| Comments : | <p>Subject is a part of "Essar Group". It is a steel manufacturing company. Its products include hot rolled, cold rolled, galvanized colour coated, plates, pipes shot blasted and primed plates and chequered plates. The company also engaged in steel processing and steel distribution.</p> <p>Management has failed to file its financials with the Registrar of Companies for the FY 2017.</p> <p>As per the FY 2016, the company has reported huge loss from its operations which has led to deterioration of its financial profile.</p> <p>Rating is further constrained by ongoing delays in servicing of debt obligations by company and liquidity pressures faced due to extraneous challenges impacting in running of steel plant.</p> <p>Further, subject has been found under RBI defaulter's list, the name of credit grantor is Corporation Bank and the amount charged is INR 12283.820 million dated 30.09.2018.</p> |

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| | |
|--|--|
| | <p>The company has also defaulted hefty amounts with Unit Trust of India Limited as on 31-03-2005. However, the latest update for the same is not available.</p> <p>The National Company Law Tribunal, Ahmedabad Bench has ordered the commencement of a Corporate Insolvency Resolution Process against Essar Steel India Limited on 02nd August, 2017.</p> <p>Payment seems to be slow and delayed.</p> <p>In view of weak financial profile, the subject can be considered for business dealings on safe and secured trade terms and conditions.</p> |
|--|--|

NOTES:

Any query related to this report can be made on e-mail: infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

| Country Name | Previous Rating (30.06.2018) | Current Rating (30.09.2018) |
|--------------|---------------------------------|--------------------------------|
| India | A1 | A1 |

| Risk Category | ECGC Classification |
|----------------------|---------------------|
| Insignificant | A1 |
| Low Risk | A2 |
| Moderately Low Risk | B1 |
| Moderate Risk | B2 |
| Moderately High Risk | C1 |
| High Risk | C2 |
| Very High Risk | D |

EXTERNAL AGENCY RATING

| | |
|--------------------|---|
| Rating Agency Name | CARE |
| Rating | Long Term Rating (Issuer Not Cooperating)= D |
| Rating Explanation | Lowest credit quality and very low prospects of recovery. |
| Date | 20.03.2018 |

| | |
|--------------------|---|
| Rating Agency Name | CARE |
| Rating | Short Term Rating (Issuer Not Cooperating)= D |
| Rating Explanation | Lowest credit quality and very low prospects of recovery. |

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| | |
|------|------------|
| Date | 20.03.2018 |
|------|------------|

RBI DEFAULTERS' LIST STATUS

Subject's name has been found enlisted as a defaulter in the publicly available RBI Defaulters' list and the details of the same are as under:

Suit Filed Accounts - Defaulters INR 10.000 million and above as on 30-Sep-2018 Search Details
Date of extraction 28-Nov-2018

Borrowers details

| | |
|---------------|---|
| Borrower name | ESSAR STEEL LTD |
| Address | PO HAZIRA, DISTRICT SURAT, GUJARATH - PIN 394270 MAHARASHTRA |

Name of Directors Reported by Credit Institutions Filing the Suit:

| Sr. No. | Directors Reported by Credit Institutions | DIN Number |
|-------------------------|---|------------|
| CORPORATION BANK | | |
| 1 | KAUSHIK RANJIT DUTTA | |
| 2 | KETAN SHAH | |
| 3 | MANMOHAN KUMAR AWASTHI | |
| 4 | PRAHLAD PANDIT | |
| 5 | PRAMOD SHRINIVAS SHETTIGAR | |
| 6 | RAVISHANKAR JAYARAMAN | |
| 7 | SANTOSH M MAHESHWARI | |
| 8 | VIVEK NARAYAN SANIL | |

List of Credit Institutions to which ESSAR STEEL LTD is a defaulter:

| Names of Credit Institutions | Branch | Amount (INR in million) |
|------------------------------|---------------|-------------------------|
| CORPORATION BANK | MUMBAI-I.F.B. | 12283.820 |
| | Total | 12283.820 |

EPF (Employee Provident Fund) DEFAULTERS' LIST STATUS

Subject's name is not enlisted as a defaulter in the publicly available EPF (Employee Provident Fund) Defaulters' list as of 31-03-2018.

BIFR (Board for Industrial & Financial Reconstruction) LISTING STATUS

Subject's name is not listed as a Sick Unit in the publicly available BIFR (Board for Industrial & Financial Reconstruction) list as of 28.11.2018

IBBI (Insolvency and Bankruptcy Board of India) LISTING STATUS

Subject's name is listed in the publicly available IBBI (Insolvency and Bankruptcy Board of India) list as of report date. The details of the listing are as under:

| | |
|---|--|
| Date of Listing / Announcement : | 02.08.2017 |
| Name of Company : | Essar Steel India Limited |
| Name of Applicant : | State Bank of India |
| Name of Insolvency Professional : | Mr. Satish Kumar Gupta |
| Address of Insolvency Professional : | C/o Alvarez and Marsal India Private Limited, Units 703 and 704, 7 th Floor, Tower A, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai – 400013, Maharashtra, India |
| Reason for Listing : | Corporate Insolvency Resolution Process |

INFORMATION DENIED BY

| | |
|----------------------|---------------------------|
| Name : | Mr. Rajiv Kumar Bhatnagar |
| Designation : | Wholetime Director |
| Contact No.: | 91-9930136459 |
| Date : | 26.11.2018 |

LOCATIONS

| | |
|---------------------------------------|--|
| Registered Office/ Plant 1 : | Survey No. 353/354, 27KM, Surat Hazira Road, Hazira, Surat – 394270, Gujarat, India |
| Tel. No.: | 91-261-6682400 |
| Mobile No.: | 91-9923201806 (Ms. Tejashree Sathe) 91-9930136459 (Mr. Rajiv Kumra Bhatnagar) |
| Fax No.: | 91-261-2872400 / 6682796 / 6685731 |
| E-Mail : | pankaic1@essar.com tejashree.sathe@essar.co.in |
| Website: | http://www.essarsteel.com http://www.essar.com |
| Area : | 1000 sq. ft. |
| Location : | Owned |
| Locality : | Industrial |
| Corporate Office : | Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai – 400034, Maharashtra, India |
| Marketing Office: | No.301, Sidhu Sree Vaishnavi Arcade (Opposite to Care Hospital), Road No 1, Banjara Hills, Hyderabad – 500034, Telangana, India |
| Marketing & Sales Office : | 6 th Floor, Tower-2, Equinox Business Park (Peninsula Techno Park) Off Bandra |

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| | |
|---|---|
| | Kurla Complex, LBS Marg, Kurla (West), Mumbai – 400070, Maharashtra, India |
| Tel. No.: | 91-22-67335000 |
| Fax No.: | 91-22-67082189 |
| E-Mail : | steel@essar.com |
| | |
| Plant 2 : | Scindia Road, Near Flyover, Visakhapatnam – 530004, Andhra Pradesh, India |
| Tel. No.: | 91-891-2523213 |
| Fax No.: | 91-891-2559383 / 2556907 |
| | |
| Factory: | Pune Facility, Gat No.740, Sanaswadi, Pune – 412208, Maharashtra, India |
| | |
| Processing & Distribution Facility Network : | Gat No. 437 and 442, Golechiwadi, Ambi-Nigade Road, MIDC-Talegaon, Pune – 410507, Maharashtra, India |
| Tel. No.: | 91-211-4661401 |
| | |
| Regional Head : | Plot No A - 6, Sipcot, Oragadam, Sriperumbudur (TK) Kanchipuram, Chennai – 602112, Tamilnadu, India |
| | |
| Other Plants : | <p>Located at:</p> <p>Downstream capability hub</p> <ul style="list-style-type: none"> • Pulne, Maharashtra, India <p>Beneficiation Plant</p> <ul style="list-style-type: none"> • Bailadilla, Chhattisgarh, India • Dabuna, Odisha, India <p>Pellet Plant</p> <ul style="list-style-type: none"> • Visakhapatnam, Andhra Pradesh, India |
| | |
| Branch Offices: | <ul style="list-style-type: none"> • A-5 Sector-3, Noida, Uttar Pradesh, India • Essar House, 3rd Floor, Esplanade, Chennai – 600108, Tamilnadu, India • Essar House, Opposite Gujarat College Ellisbridge, Ahmedabad – 380006 Gujarat, India Tel. No: 91-79-6608 6666 Fax No: 91-79-6608 6608 <p>Also Located at:</p> <ul style="list-style-type: none"> • Mumbai • Hazira • Vadinar • New Delhi • Vishakhapatnam |

DIRECTORS

AS ON 31.03.2018

| | |
|------------------------------|---|
| Name : | Mr. Dilip Oommen |
| Designation : | Managing Director |
| Address : | D-3/4 Nand Niketan Essar Township, Hazira, Surat – 394270, Gujarat, India |
| Date of Birth/Age : | 28.03.1958 |
| Qualification : | Degree in Metallurgical Engineering |
| PAN No: | AAHPO0679E |
| Date of Appointment : | 17.12.2011 |
| DIN No. : | 02285794 |
| Name : | Mr. Rajiv Kumar Bhatnagar |
| Designation : | Wholetime Director |
| Address : | C-2/11, Nand Niketan, Essar Township, Hazira, Surat – 394270, Gujarat, India |
| Date of Appointment : | 22.11.2016 |
| DIN No. : | 07018252 |
| Name : | Mr. Venkatraman Govind Raghavan |
| Designation : | Director |
| Address : | Flat No 171/172, 17th Floor, Kalpataru Residency, Sion Circle, Sion (East), Mumbai – 400022, Maharashtra, India |
| Date of Birth/Age : | 16.07.1945 |
| Qualification : | B.COM, C.A. |
| PAN No: | ADPPR2424P |
| Date of Appointment : | 29.10.2003 |
| DIN No.: | 00008683 |
| Name : | Mr. Prashant Ruia |
| Designation : | Director |
| Address : | Lereve Tower 4300 Dubai Marina, Po Box 293778, Dubai, Na, United Arab Emirates |
| Date of Birth/Age : | 04.06.1969 |
| Qualification : | B.Com |
| PAN No: | AABPR5283M |
| Date of Appointment : | 27.11.2014 |
| DIN No. : | 01187548 |
| Name : | Mr. Sunit Joshi |
| Designation : | Nominee Director |
| Address : | Flat No. 4-D, C Building Harbour Heights, Colaba, Mumbai - 400005, Maharashtra, India |
| Date of Appointment : | 22.11.2016 |
| DIN No. : | 02962154 |

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KEY EXECUTIVES

| | |
|------------------------------|--|
| Name : | Mr. Pankaj Shivnarayan Chourasia |
| Designation : | Company Secretary |
| Address: | Jai Siyaram, Flat No.1, Plot 131, Sector-12, Blue Heaven Building, Vashi, Navi Mumbai - 400703, Maharashtra, India |
| Date of Birth: | 15.07.1975 |
| Date of Appointment : | 27.10.2015 |
| Qualification: | M.Com/ CS/ LLB |
| PAN No.: | ADKPC1762C |
| Name : | Mr. Jatinder Dinanath Mehra |
| Designation : | Chief Executive Officer |
| Address: | C-1/36 Safdarjung Dev Area, New Delhi – 110016, India |
| Date of Appointment : | 21.06.2017 |
| PAN No.: | AAUPM6409M |
| Name : | Mr. Suresh Chandra Jain |
| Designation : | Chief Finance Officer |
| Address: | 1703-4, Tower A, Sahyadri, Upper Govind Nagar, Malad (East), Mumbai – 400097, Maharashtra, India |
| Date of Appointment : | 01.07.2017 |
| PAN No.: | ACBPJ9739L |
| Name : | Mr. Abhishek Pundhir |
| Designation : | Deputy Accounts Manager – Finance Department |

MAJOR SHAREHOLDERS

AS ON 31.03.2016

| Names of Equity Shares | No. of Shares |
|---|----------------------|
| Essar Steel Asia Holdings Limited | 2153587448 |
| Imperial Consultants and Securities Private Limited | 672232720 |
| Shares under Trust (Venkatraman Govind Raghavan) | 191517500 |

| Names of Preference Shares | No. of Shares |
|---|----------------------|
| IFCI Limited | 22116599 |
| Imperial Consultants and Securities Private Limited | 16940180 |

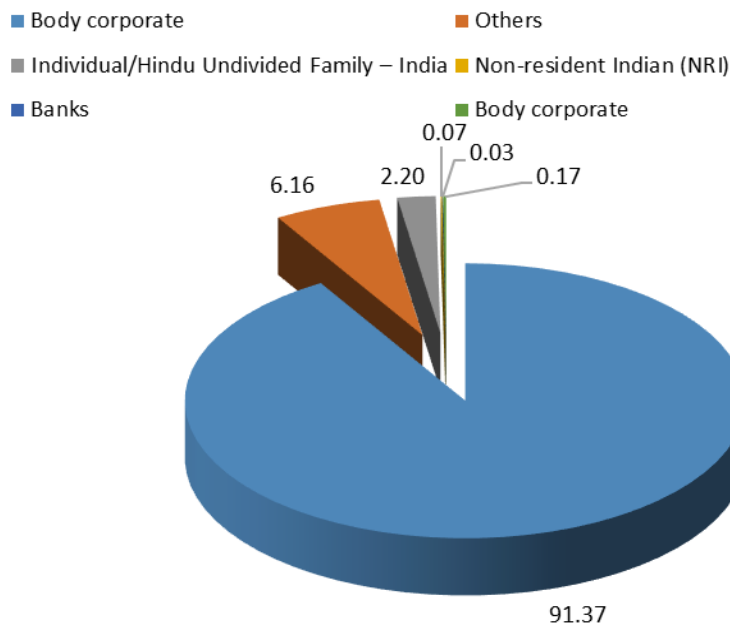
Equity Share Break up (Percentage of Total Equity)

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As on: 21.12.2016

| Category | Percentage |
|---|---------------|
| Promoters | |
| Body corporate | 91.37 |
| Others | 6.16 |
| Public/Other than promoters | |
| Individual/Hindu Undivided Family – India | 2.20 |
| Non-resident Indian (NRI) | 0.07 |
| Banks | 0.03 |
| Body corporate | 0.17 |
| Total | 100.00 |

Share holding pattern



BUSINESS DETAILS

| | | |
|---------------------------|---|-----------------------------|
| Line of Business : | Manufacturer and Selling of Hot Rolled Coils/ Cold Rolled Coils, Sheets, Plates and Extraction of Minerals. [Registered activity] | |
| Products : | ITC Code No. | Product Descriptions |

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| | | |
|------------------------|---------------|--|
| | 99612410 | Manufacturing of hot rolled coils/ cold rolled coils/sheets/plates |
| Brand Names : | Not Available | |
| Agencies Held : | Not Available | |
| Exports : | Not Divulged | |
| Imports : | Not Divulged | |
| Terms : | Not Divulged | |

PRODUCTION STATUS (AS ON 31.03.2015)

| Particulars | Unit | Production |
|---|------|------------|
| Iron Ore Pellet | MT | 4739555 |
| Hot Briquette Iron / Direct Reduced Iron | MT | 829592 |
| Hot Metal | MT | 829592 |
| Hot Rolled Coils/Cold Rolled Coils/Plates | MT | 2524405 |
| Plates | MT | 629799 |
| Pipes | MT | 178254 |

GENERAL INFORMATION

| | | |
|---------------------------|--------------------------------------|--------------|
| Suppliers : | Reference : | Not Divulged |
| | Name of the Person : | -- |
| | Contact No.: | -- |
| | Since How Long Known : | -- |
| | Maximum Limit Dealt : | -- |
| | Experience : | -- |
| | Remark : | -- |
| Customers : | Reference : | Not Divulged |
| | Name of the Person : | -- |
| | Contact No.: | -- |
| | Since How Long Known : | -- |
| | Maximum Limit Dealt : | -- |
| | Experience : | -- |
| | Remark : | -- |
| No. of Employees : | Information denied by the management | |

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| | | | |
|---------------------|--|--|--------------------------------------|
| Bankers : | Banker Name : | IDBI Bank Limited | |
| | Branch : | IDBI Tower, World Trade Complex, Cuffe Parade, Mumbai – 400005, Maharashtra, India | |
| | Person Name (With Designation) : | -- | |
| | Contact Number : | -- | |
| | Name of Account Holder : | -- | |
| | Account Number : | -- | |
| | Account Since (Date/Year of Account Opening) : | -- | |
| | Average Balance Maintained : | -- | |
| | Credit Facilities Enjoyed (CC/OD/Term Loan) : | -- | |
| | Account Operation : | -- | |
| | Remark : | -- | |
| | <ul style="list-style-type: none"> • Yes Bank Limited, 9th Floor, Nehru Centre, Discovery of India, Dr. Annie Besant Road, Worli, Mumbai – 400018, Maharashtra, India • Indian Overseas Bank, 229, Bhakhtawar, Ground Floor, Nariman Point, Mumbai – 400021, Maharashtra, India | | |
| Facilities : | SECURED LOANS | 31.03.2016 INR In Million | 31.03.2015 INR In Million |
| | LONG TERM BORROWINGS | | |
| | Non-Convertible Debentures | 2625.000 | 3120.000 |
| | Term Loans | | |
| | --From Banks | 183093.000 | 194458.800 |
| | --From Others | 13495.300 | 14243.400 |
| | Buyers Credit for Capital Expenditure | 0.000 | 511.200 |
| | SHORT TERM BORROWINGS | | |
| | Rupee term loans from banks | 1000.000 | 1000.000 |
| | Working capital loans from banks | 54469.300 | 20260.200 |
| | Other loans and advances, others | 5150.500 | 10841.600 |
| | Total | 259833.100 | 244435.200 |

| | |
|---------------------------------|---|
| Financial Institutions : | <ul style="list-style-type: none"> • SBICAP Trustee Company Limited, 202 Maker Tower E, Cuffe Parade, Mumbai – 400005, Maharashtra, India • Axis Trustee Services Limited, Axis House, 2nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400025, Maharashtra, India |
| | |

| | |
|--|---|
| Auditors : | |
| Name : | M M Chaturvedi and Company Chartered Accountants |
| Address : | 24, Atlanta Nariman, Point Mumbai – 400021, Maharashtra, India |
| PAN No.: | AABFD7919A |
| Memberships : | Not Divulged |
| Collaborators : | Not Divulged |
| Holding Company (As on 31.03.2016) : | <ul style="list-style-type: none"> • Essar Steel Asia Holdings Limited (FKA Essar Resources Mauritius Limited) Immediate Holding Company- (ESAHL) • Essar Steel Mauritius Limited- Holding Company of Essar Steel Asia Holdings Limited - (ESML) • Essar Global Fund Limited (FKA Essar Global Limited), Cayman Islands- Holding Company of Essar Steel Mauritius Limited (EGFL) |
| Subsidiary company (As on 31.03.2016) : | <ul style="list-style-type: none"> • Essar Steel Middle East (ESMEF) • Essar Steel Trading FZE (ESTF) • Trinity Coal Marketing LLC (EMA) • Odisha Slurry Pipeline Infrastructure Limited (OSPIL) (U60200OR2014PLC018639) • Hazira Coke Limited (U23100GJ2014PLC078242) • Banner Coal Terminal LLC • RMG INC Trinity RMG Holdings LLC • Frasure Creek Mining LLC • Essar Mineral Cooperatief U.A. • Essar Minerals Canada Limited • Trinity Coal Corporation • Hughes Creek terminal LLC • Falcon Resources LLC • Prater Branch Resources LLC • Paradeep Steel Company Limited (PSCL) (U27100MH2011PLC217214) • Essar Steel Offshore Limited (ESOSL) • Essar Minerals Limited (FKA Essar Mining Limited) • New Trinity Holdings LLC (NTHL) • New Resources Inc (NRI) • Essar Minerals INC • Trinity Parent Corporation • Trinity Coal Partners LLC • New Trinity Coal INC • Bear Fork Resources LLC • Deep Water Resources LLC • Levisa Fork Resources LLC • North Springs Resources LLC • Little Elk Mining Company LLC • Essar Minerals Limited |

| | |
|--|--|
| <p>Fellow Subsidiary (As on 31.03.2016) :</p> | <ul style="list-style-type: none"> • Aegis Limited (U99999MH1992PLC064767) • Essar Steel Logistics Limited (U60220GJ2013PLC074244) • Essar Projects (India) Limited (U99999MH1989PLC053280) • Essar Shipping Limited (L61200GJ2010PLC060285) • Essar Bulk Terminal Paradip Limited (U63000GJ2009PLC058496) • Essar Power Gujarat Limited (U74900GJ2007PLC066273) • Essar Power M P Limited (U40100DL2005PLC201961) • Vadinar Properties Limited (U70100MH2006PLC160616) • Essar Power limited (U40100GJ1991PLC064824) • Essar Power (jharkhand) Limited (U31101DL2005PLC211274) • Essar Power Transmission Company Limited (U99999DL2005PLC208864) • Essar Pellets Marketing Limited (U27106MH2007PLC172940) • Essar Oil Limited (L11100GJ1989PLC032116) • Essar Electric Power Development Corporation Limited (U40100MH1997PLC110104) • Vadinar Power Company Limited (U40100GJ1997PLC033108) • Essar Offshore Subsea Limited (U11101MH2008PLC179089) • Essar Refinery Projects Limited (U45200GJ2010PLC062785) • Essar Bulk Terminal (Salaya) Limited (U63032MH2007PLC176225) • Arkay Logistics Limited (U63000MH2004PLC149214) • Essar Ports Limited (L85110GJ1975PLC054824) • Vadinar Oil Terminal Limited (U35111GJ1993FLC053434) • Equinox Business Parks Private Limited (U70102MH2007PTC172950) • Essar Mineral Resources Limited (U13100GJ2006PLC047506) • Essar Global Services FZE • Essar Steel Algoma Inc. • PT Essar Indonesia • Essar Energy Limited • Essar Oil (UK) Limited • Brahmani Thermal Power Private Limited (U40109DL2005PTC231302) • Essar Constructions Overseas Limited • Essar Oilfield Services India Limited (U93090MH2006PLC163779) • Vadinar Ports and Terminals Limited (U63023GJ2009FLC056684) • Essar Telecom Kenya Limited • AGC Networks Limited (L32200MH1986PLC040652) • Essar Africa Holdings Limited • Peak Trading Overseas Limited • Tirunelveli Wind Farms Limited (U01403MH2007PLC166813) • Essar Steel Limited • Essar Shipping and Logistics Limited |
| <p>Associate Company (As on 31.03.2016) :</p> | <ul style="list-style-type: none"> • Bhandar Power Limited (U31101MP1995PLC009646) • Essar Bulk Terminal Limited (U13100GJ2004PLC043477) • Essar Power (Orissa) Limited (U31101GJ2005PLC081701) • Essar Power Hazira Limited (U40300GJ2006PLC063146) • Essar Steel Processing FZCO |

| | |
|--|---|
| | <ul style="list-style-type: none"> • Essar Steel Chhattisgarh Limited (U27100GJ2005FLC046274) • Essar Power M P Limited (U40100DL2005PLC201961) |
|--|---|

CAPITAL STRUCTURE

AFTER 21.12.2016

Authorised Capital : INR 72750.000 Million

Issued, Subscribed & Paid-up Capital : INR 31096.300 Million

AS ON 31.03.2016

Authorised Capital :

| No. of Shares | Type | Value | Amount |
|---------------|-------------------|---------------|------------------------------|
| 7175000000 | Equity Shares | INR 10/- each | INR 71750.000 Million |
| 100000000 | Preference Shares | INR 10/- each | INR 1000.000 Million |
| | Total | | INR 72750.000 Million |

Issued, Subscribed & Paid-up Capital :

| No. of Shares | Type | Value | Amount |
|---------------|-------------------|---------------|------------------------------|
| 3108957660 | Equity Shares | INR 10/- each | INR 31089.600 Million |
| | Forfeited shares | | INR 6.700 Million |
| 43598951 | Preference Shares | INR 10/- each | INR 436.000 Million |
| | Total | | INR 31532.300 Million |

FINANCIAL DATA
[all figures are in INR Million]

ABRIDGED BALANCE SHEET (STANDALONE)

| SOURCES OF FUNDS | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|-------------------|-------------------|-------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 31532.300 | 31532.300 | 28692.200 |
| (b) Reserves and Surplus | 54633.700 | 109594.300 | 56147.800 |
| (c) Money received against share warrants | 0.000 | 0.000 | 0.000 |
| (2) Share Application money pending allotment | 0.000 | 0.000 | 0.000 |
| Total Shareholders' Funds (1) + (2) | 86166.000 | 141126.600 | 84840.000 |
| (3) Non-Current Liabilities | | | |
| (a) long-term borrowings | 202113.700 | 224769.300 | 284967.300 |
| (b) Deferred tax liabilities (Net) | 0.000 | 0.000 | 0.000 |
| (c) Other long-term liabilities | 34.700 | 78408.500 | 50667.100 |
| (d) long-term provisions | 995.500 | 2638.000 | 6035.600 |
| Total Non-current Liabilities (3) | 203143.900 | 305815.800 | 341670.000 |
| (4) Current Liabilities | | | |
| (a) Short-term borrowings | 92766.200 | 46813.800 | 13164.600 |
| (b) Trade payables | 64017.500 | 66796.000 | 71362.700 |
| (c) Other current liabilities | 166606.800 | 73515.100 | 39032.300 |
| (d) Short-term provisions | 14295.200 | 3755.600 | 4012.000 |
| Total Current Liabilities (4) | 337685.700 | 190880.500 | 127571.600 |
| TOTAL | 626995.600 | 637822.900 | 554081.600 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible assets | 423964.900 | 419899.700 | 141257.800 |
| (ii) Intangible Assets | 174.800 | 243.100 | 239.100 |
| (iii) Tangible assets capital work-in-progress | 33967.600 | 45823.600 | 272947.800 |
| (iv) Intangible assets under development | 0.000 | 0.000 | 0.000 |
| (b) Non-current Investments | 13938.300 | 12756.700 | 11544.300 |
| (c) Deferred tax assets (net) | 48663.400 | 20864.000 | 25590.400 |
| (d) Long-term loans and advances | 5724.100 | 6947.500 | 7182.300 |
| (e) Other Non-current assets | 9724.100 | 10643.300 | 11108.200 |
| Total Non-Current Assets | 536157.200 | 517177.900 | 469869.900 |

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| | | | |
|-----------------------------------|-------------------|-------------------|-------------------|
| (2) Current assets | | | |
| (a) Current investments | 0.000 | 0.000 | 0.000 |
| (b) Inventories | 23255.500 | 26896.500 | 32630.400 |
| (c) Trade receivables | 16147.700 | 12765.400 | 11569.800 |
| (d) Cash and bank balances | 5139.400 | 7671.800 | 7294.900 |
| (e) Short-term loans and advances | 38321.100 | 32117.400 | 30707.500 |
| (f) Other current assets | 7974.700 | 41193.900 | 2009.100 |
| Total Current Assets | 90838.400 | 120645.000 | 84211.700 |
| | | | |
| TOTAL | 626995.600 | 637822.900 | 554081.600 |

PROFIT & LOSS ACCOUNT (STANDALONE)

| | PARTICULARS | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|-------------|---|--------------------|-------------------|--------------------|
| | SALES | | | |
| | Total Revenue from operations | 136544.100 | 139335.800 | 133268.800 |
| | Other Income | 7241.100 | 4357.700 | 10216.700 |
| | TOTAL | 143785.200 | 143693.500 | 143485.500 |
| | | | | |
| Less | EXPENSES | | | |
| | Cost of Materials Consumed | 92967.600 | 77859.400 | 76621.600 |
| | Purchases of Stock-in-Trade | 1605.000 | 2978.000 | 6680.500 |
| | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 1426.300 | 4384.000 | 2662.400 |
| | Other expenses | 40394.000 | 32988.000 | 40685.400 |
| | Prior period items | 58.500 | (879.900) | (16014.700) |
| | Exceptional items | 27930.400 | (33797.200) | 0.000 |
| | TOTAL | 168911.200 | 86876.300 | 114192.100 |
| | | | | |
| | PROFIT/ (LOSS) BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION | (25126.000) | 56817.200 | 29293.400 |
| | | | | |
| Less | FINANCIAL EXPENSES | 44676.300 | 38650.100 | 41767.000 |
| | | | | |
| | PROFIT / (LOSS) BEFORE TAX, DEPRECIATION AND AMORTISATION | (69802.300) | 18167.100 | (12473.600) |
| | | | | |
| Less | DEPRECIATION/ AMORTISATION | 17356.900 | 8077.500 | 10673.800 |
| | | | | |
| | PROFIT/ (LOSS) BEFORE TAX | (87159.200) | 10089.600 | (23147.400) |
| | | | | |
| Less | TAX | (29157.800) | 3609.100 | (7176.000) |
| | | | | |
| | PROFIT/ (LOSS) AFTER TAX | (58001.400) | 6480.500 | (15971.400) |

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| | | | | |
|-------------|--|--------------------|--------------------|--------------------|
| Add | PREVIOUS YEARS' BALANCE BROUGHT FORWARD | (31502.900) | (39252.800) | (23281.400) |
| Add | Balance value of assets transfer from Assets as per | 0.000 | (346.000) | 0.000 |
| Less | APPROPRIATIONS | | | |
| | Transfer to General Reserve | (1678.200) | (1615.400) | 0.000 |
| | Total | (1678.200) | (1615.400) | 0.000 |
| | Balance Carried to the B/S | (87826.100) | (31502.900) | (39252.800) |
| | EARNINGS IN FOREIGN CURRENCY | | | |
| | F.O.B. Value of Exports | 14579.200 | 19744.900 | 39391.900 |
| | Earnings on interest | 1182.800 | 1493.400 | 2755.200 |
| | TOTAL EARNINGS | 15762.000 | 21238.300 | 42147.100 |
| | IMPORTS | | | |
| | Raw Materials | 34753.700 | 25448.200 | 18231.200 |
| | Components and Stores parts | 4499.600 | 5382.700 | 4515.100 |
| | Capital Goods | 384.300 | 277.600 | 251.600 |
| | TOTAL IMPORTS | 39637.600 | 31108.500 | 22997.900 |
| | Earnings / (Loss) Per Share (INR) | (18.67) | 2.26 | (5.70) |

CURRENT MATURITIES OF LONG TERM DEBT DETAILS

| Particulars | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|------------|------------|------------|
| Current Maturities of Long term debt | 24530.800 | 12500.500 | 16062.800 |
| Cash generated from operations | NA | NA | NA |
| Net cash flows from (used in) operations | 4510.400 | 33126.100 | 47809.600 |
| Net cash flows from (used in) operating activities | 4422.700 | 33145.700 | 47744.300 |

KEY RATIOS

EFFICIENCY RATIOS

| PARTICULARS | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|---|------------|------------|------------|
| Average Collection Days (Sundry Debtors / Income * 365 Days) | 43.16 | 33.44 | 31.69 |
| Account Receivables Turnover (Income / Sundry Debtors) | 8.46 | 10.92 | 11.52 |

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| | | | |
|---|--------|--------|--------|
| Average Payment Days (Sundry Creditors / Purchases * 365 Days) | 247.07 | 301.60 | 312.69 |
| Inventory Turnover (Operating Income / Inventories) | (0.89) | 2.24 | 1.01 |
| Asset Turnover (Operating Income / Net Fixed Assets) | (0.04) | 0.13 | 0.08 |

LEVERAGE RATIOS

| PARTICULARS | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|------------|------------|------------|
| Debt Ratio (Borrowing + Current Liabilities) / Total Assets | 0.90 | 0.67 | 0.77 |
| Debt Equity Ratio (Total Liability / Networth) | 3.71 | 2.01 | 3.70 |
| Current Liabilities to Networth (Current Liabilities / Net Worth) | 3.92 | 1.35 | 1.50 |
| Fixed Assets to Networth (Net Fixed Assets / Networth) | 5.32 | 3.30 | 4.89 |
| Interest Coverage Ratio (PBIT / Financial Charges) | (0.46) | 1.56 | 0.79 |

PROFITABILITY RATIOS

| PARTICULARS | | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|---|------------|------------|------------|
| Net Profit Margin ((PAT / Sales) * 100) | % | (39.16) | 7.05 | (9.32) |
| Return on Total Assets ((PAT / Total Assets) * 100) | % | (8.53) | 1.54 | (2.24) |
| Return on Investment (ROI) ((PAT / Networth) * 100) | % | (62.06) | 6.96 | (14.63) |

SOLVENCY RATIOS

| PARTICULARS | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|---|------------|------------|------------|
| Current Ratio (Current Assets / Current Liabilities) | 0.27 | 0.63 | 0.66 |
| Quick Ratio ((Current Assets - Inventories) / Current Liabilities) | 0.20 | 0.49 | 0.40 |

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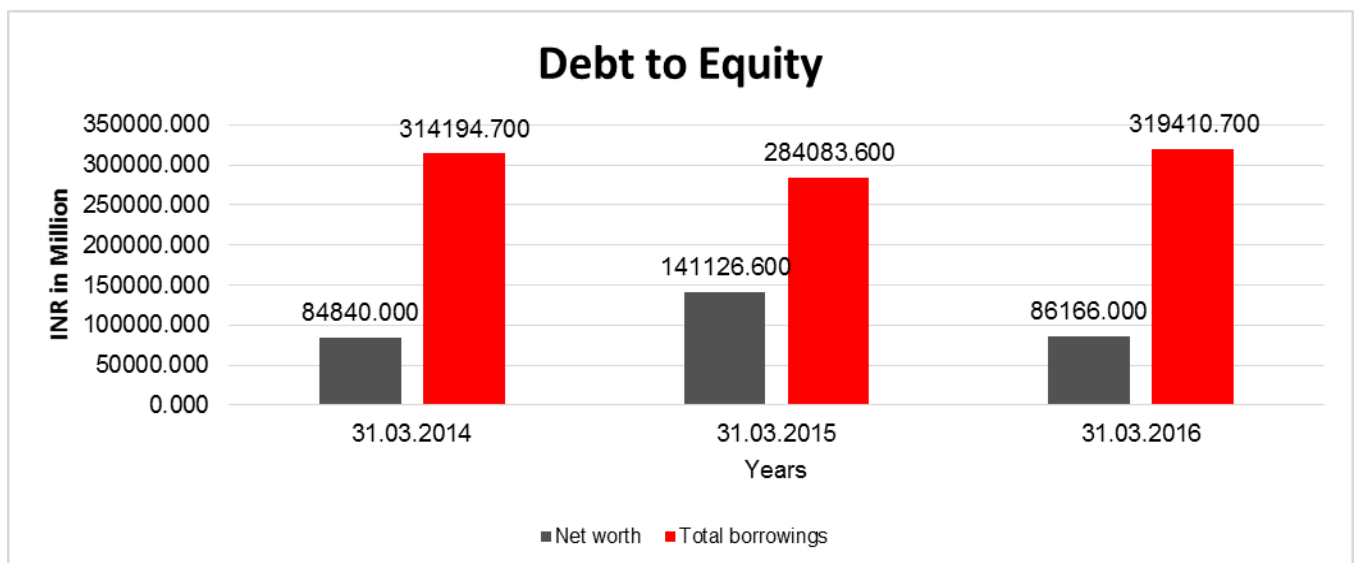
| | | | |
|---|-------|------|-------|
| G-Score Ratio Financial (Networth / Total Assets) | 0.14 | 0.22 | 0.15 |
| G-Score Ratio Debt (Debts / Equity Capital) | 10.13 | 9.01 | 10.95 |
| G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities) | 0.27 | 0.63 | 0.66 |

Total Liability = Short-term Debt + Long-term Debt + Current Maturities of Long-term debts

FINANCIAL ANALYSIS
[all figures are in INR Million]

DEBT EQUITY RATIO

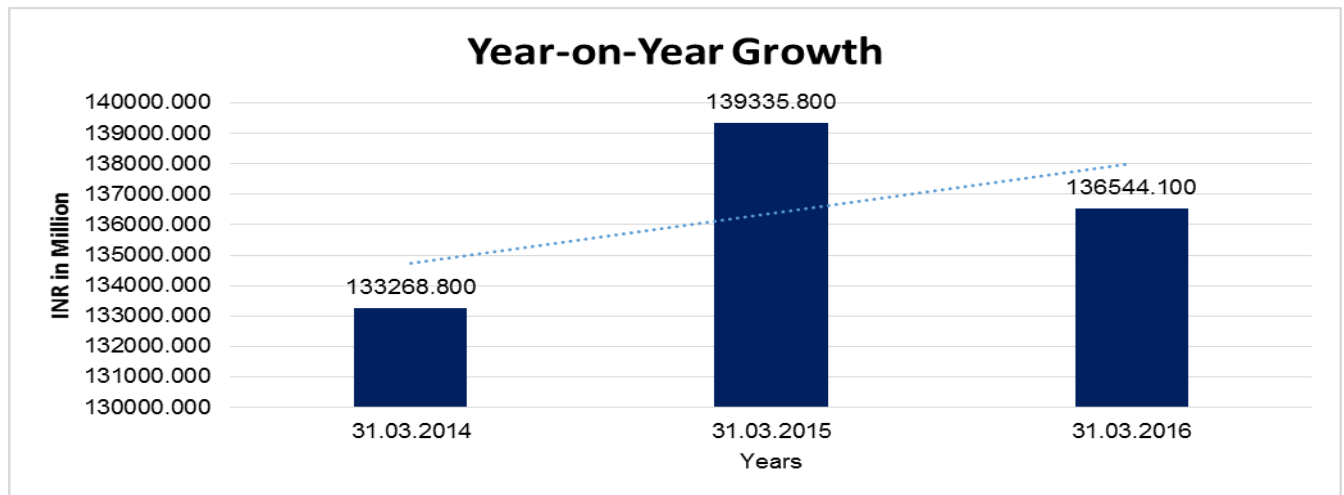
| Particular | 31.03.2014 (INR In Million) | 31.03.2015 (INR In Million) | 31.03.2016 (INR In Million) |
|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Share Capital | 28692.200 | 31532.300 | 31532.300 |
| Reserves & Surplus | 56147.800 | 109594.300 | 54633.700 |
| Net worth | 84840.000 | 141126.600 | 86166.000 |
| Long-term borrowings | 284967.300 | 224769.300 | 202113.700 |
| Short term borrowings | 13164.600 | 46813.800 | 92766.200 |
| Current maturities of long-term debts | 16062.800 | 12500.500 | 24530.800 |
| Total borrowings | 314194.700 | 284083.600 | 319410.700 |
| Debt/Equity ratio | 3.703 | 2.013 | 3.707 |



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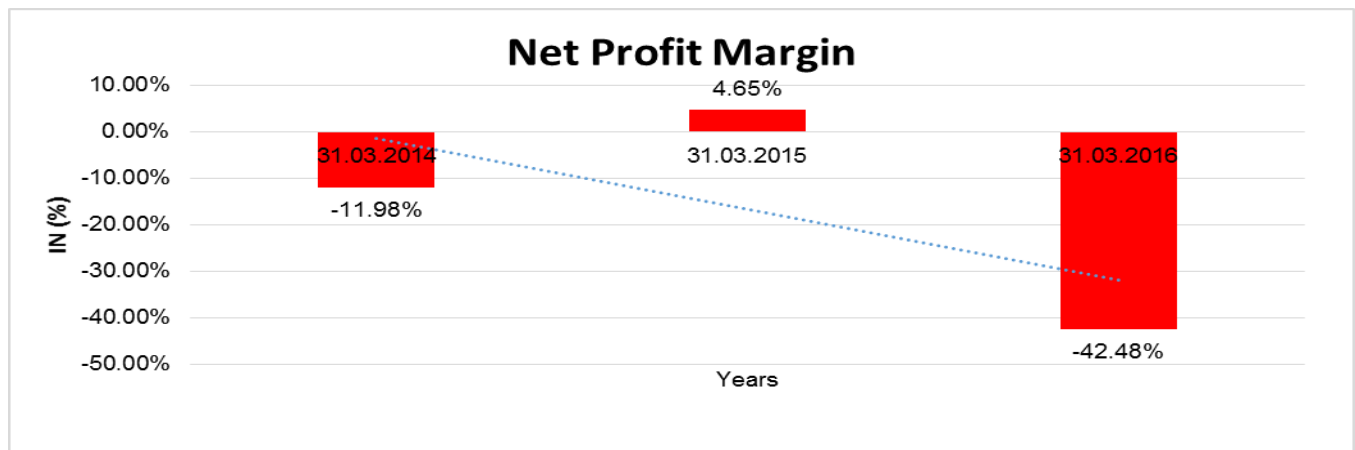
YEAR-ON-YEAR GROWTH

| Year on Year Growth | 31.03.2014 | 31.03.2015 | 31.03.2016 |
|---------------------|------------------|------------------|------------------|
| | (INR In Million) | (INR In Million) | (INR In Million) |
| Sales | 133268.800 | 139335.800 | 136544.100 |
| | | 4.552 | (2.004) |



NET PROFIT MARGIN

| Net Profit Margin | 31.03.2014 | 31.03.2015 | 31.03.2016 |
|-------------------|------------------|------------------|------------------|
| | (INR In Million) | (INR In Million) | (INR In Million) |
| Sales | 133268.800 | 139335.800 | 136544.100 |
| Profit/ (Loss) | (15971.400) | 6480.500 | (58001.400) |
| | (11.98 %) | 4.65 % | (42.48 %) |



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ABRIDGED BALANCE SHEET (CONSOLIDATED)

| SOURCES OF FUNDS | 31.03.2016 | 31.03.2015 |
|--|-------------------|-------------------|
| I. EQUITY AND LIABILITIES | | |
| (1) Shareholders' Funds | | |
| (a) Share Capital | 31532.300 | 31532.300 |
| (b) Reserves and Surplus | 14637.600 | 71528.000 |
| (c) Money received against share warrants | 0.000 | 0.000 |
| (2) Share Application money pending allotment | 0.000 | 0.000 |
| Total Shareholders' Funds (1) + (2) | 46169.900 | 103060.300 |
| (3) Non-Current Liabilities | | |
| (a) long-term borrowings | 211596.500 | 269775.600 |
| (b) Deferred tax liabilities (Net) | 0.000 | 0.000 |
| (c) Other long-term liabilities | 34.700 | 78408.500 |
| (d) long-term provisions | 4348.500 | 5805.900 |
| Total Non-current Liabilities (3) | 215979.700 | 353990.000 |
| (4) Current Liabilities | | |
| (a) Short-term borrowings | 100527.400 | 50720.900 |
| (b) Trade payables | 65049.100 | 68702.000 |
| (c) Other current liabilities | 206686.100 | 95206.000 |
| (d) Short-term provisions | 14903.600 | 4329.700 |
| Total Current Liabilities (4) | 387166.200 | 218958.600 |
| TOTAL | 649315.800 | 676008.900 |
| II. ASSETS | | |
| (1) Non-current assets | | |
| (a) Fixed Assets | | |
| (i) Tangible assets | 456046.600 | 451258.300 |
| (ii) Intangible Assets | 174.800 | 243.100 |
| (iii) Tangible assets capital work-in-progress | 33967.000 | 45823.400 |
| (iv) Intangible assets under development | 0.000 | 0.000 |
| (b) Non-current Investments | 4416.100 | 5129.900 |
| (c) Deferred tax assets (net) | 48663.300 | 20864.000 |
| (d) Long-term loans and advances | 6382.700 | 8680.000 |
| (e) Other Non-current assets | 18602.600 | 9795.300 |
| Total Non-Current Assets | 568253.100 | 541794.000 |
| (2) Current assets | | |
| (a) Current investments | 0.000 | 0.000 |
| (b) Inventories | 23321.900 | 27095.600 |
| (c) Trade receivables | 11844.400 | 10602.600 |
| (d) Cash and bank balances | 8228.600 | 10969.700 |

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| | | |
|-----------------------------------|-------------------|-------------------|
| (e) Short-term loans and advances | 30912.400 | 45112.600 |
| (f) Other current assets | 6755.400 | 40434.400 |
| Total Current Assets | 81062.700 | 134214.900 |
| | | |
| TOTAL | 649315.800 | 676008.900 |

PROFIT & LOSS ACCOUNT (CONSOLIDATED)

| | PARTICULARS | 31.03.2016 | 31.03.2015 |
|-------------|---|--------------------|-------------------|
| | SALES | | |
| | Total Revenue from operations | 143809.000 | 146927.300 |
| | Other Income | 11772.100 | 7868.000 |
| | TOTAL | 155581.100 | 154795.300 |
| | | | |
| Less | EXPENSES | | |
| | Cost of Materials Consumed | 99730.900 | 83483.300 |
| | Purchases of Stock-in-Trade | 1605.000 | 2978.000 |
| | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 1472.600 | 4429.700 |
| | Employee benefit expense | 4667.600 | 4055.000 |
| | Other expenses | 41098.900 | 34477.800 |
| | Prior period items | 7.300 | (879.900) |
| | Extraordinary items | 27930.400 | (33797.200) |
| | TOTAL | 176512.700 | 94746.700 |
| | | | |
| | PROFIT/ (LOSS) BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION | (20931.600) | 60048.600 |
| | | | |
| Less | FINANCIAL EXPENSES | 47503.600 | 42572.900 |
| | | | |
| | PROFIT / (LOSS) BEFORE TAX, DEPRECIATION AND AMORTISATION | (68435.200) | 17475.700 |
| | | | |
| Less | DEPRECIATION/ AMORTISATION | 18466.600 | 9115.700 |
| | | | |
| | PROFIT/ (LOSS) BEFORE TAX | (86901.800) | 8360.000 |
| | | | |
| Less | TAX | (29156.500) | 3609.100 |
| | | | |
| | PROFIT/ (LOSS) AFTER TAX | (57745.300) | 4750.900 |
| | | | |
| | Earnings / (Loss) Per Share (INR) | (18.66) | 1.62 |

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LEGAL CASE

DISTRICT AND SESSIONS COURT VADODARA

Case Details

Case Type: COMM CS - COMMERCIAL CIVIL SUIT
Filing Number: 128/2016 Filing Date: 22-06-2016
Registration No.: 128/2016 Registration Date: 22-06-2016
CNR NO: GJVD01-004319-2016

Case Status

First Hearing Date: 25th July 2016
Next Hearing Date: 14th October 2016
Stage of Case: SUMMONS - NOTICE
Court No. and Judge: 4-JUDGE COMMERCIAL COURT

Petitioner and Advocate

1) M/S. INDUCTOTHERM COATING EQUIPMENT,
Address - 79, RUE P.J.ANTOINE-B 4040, HERSTAL, BELGIUM, PANKAJ SACHDEVA,
Advocate- C.C.GANDHI

Respondent and Advocate

1) SHREE PRECOATED STEELS LIMITED
Address - 2ND FLOOR, MAZANNINE, 24, VEER NARIMAN STREET, FORT MUMBAI 400001
Advocate - T.M.DESAI

2) ESSAR STEEL INDIA LIMITED
SURAT HAZIRA ROAD, HAZIRA, SURAT 394270

Acts

| Under Act(s) | Under Section(s) |
|-------------------------------|------------------|
| CODE OF CIVIL PROCEDURE, 1908 | 0090 |

History of Case Hearing

| Registration No. | Judge | Business On Date | Hearing Date | Purpose of hearing |
|------------------|------------------------|------------------|--------------|--------------------|
| 128/2016 | JUDGE COMMERCIAL COURT | 25-07-2016 | 13-09-2016 | SUMMONS - NOTICE |
| 128/2016 | JUDGE COMMERCIAL COURT | 13-09-2016 | 14-09-2016 | SUMMONS - NOTICE |
| 128/2016 | JUDGE COMMERCIAL COURT | 14-09-2016 | 14-10-2016 | SUMMONS - NOTICE |

LOCAL AGENCY FURTHER INFORMATION

| Sr. No. | Check list by info agents | Available in Report (Yes/No) |
|---------|---|------------------------------|
| 1 | Year of establishment | Yes |
| 2 | Constitution of the entity -Incorporation details | Yes |
| 3 | Locality of the entity | Yes |
| 4 | Premises details | Yes |
| 5 | Buyer visit details | -- |
| 6 | Contact numbers | Yes |
| 7 | Name of the person contacted | Yes |
| 8 | Designation of contact person | Yes |
| 9 | Promoter's background | Yes |
| 10 | Date of Birth of Proprietor / Partners / Directors | Yes |
| 11 | Pan Card No. of Proprietor / Partners | Yes |
| 12 | Voter Id Card No. of Proprietor / Partners | No |
| 13 | Type of business | Yes |
| 14 | Line of Business | Yes |
| 15 | Export/import details (if applicable) | No |
| 16 | No. of employees | No |
| 17 | Details of sister concerns | Yes |
| 18 | Major suppliers | No |
| 19 | Major customers | No |
| 20 | Banking Details | Yes |
| 21 | Banking facility details | Yes |
| 22 | Conduct of the banking account | -- |
| 23 | Financials, if provided | Yes |
| 24 | Capital in the business | Yes |
| 25 | Last accounts filed at ROC, if applicable | No |
| 26 | Turnover of firm for last three years | Yes |
| 27 | Reasons for variation <> 20% | -- |
| 28 | Estimation for coming financial year | No |
| 29 | Profitability for last three years | Yes |
| 30 | Major shareholders, if available | Yes |
| 31 | External Agency Rating, if available | Yes |
| 32 | Litigations that the firm/promoter involved in | Yes |
| 33 | Market information | -- |
| 34 | Payments terms | No |
| 35 | Negative Reporting by Auditors in the Annual Report | No |

OPERATIONS [AS ON 2016]:

Global economy grew 3.1 percent in 2015. The recovery which continued throughout 2015 remained fragile and was at a slow pace. The growth in Emerging and Developed Economies' declined while a modest recovery continued in Advanced Economies. Three key transitions continue to influence global economic scenario:

- 1) China's rebalancing from Manufacturing and investment toward consumption and services.
- 2) Lower prices for Commodities and energy.
- 3) Tightening of monetary policy in the US.

Growth in United States was 2.5% driven by steady job creation, income growth, lower oil prices and improved consumer confidence. Growth in Japan was 0.6% on account of fiscal support and accommodative financial conditions and rising incomes. The EU area grew by 1.5% with consumption supported by low oil prices and higher net exports.

INDIAN SCENARIO [AS ON 2016]:

India has emerged as the world's fastest growing economy beating China. The Indian economy is being viewed as a beacon of stability and growth because of low inflation, modest current account deficit (CAD) and commitment to fiscal rectitude. India's GDP grew 7.6% in FY2015-16 up from 7.2% in FY2014-15. In Q4-FY2015-16, the GDP grew 7.9% up from 7.2% in Q3-FY15 on account of rebound in farm output (-0.1% in Q3 to 2.3% in Q4), improvement in mining (7.1% in Q3 to 8.6% in Q4) and a sharp pickup in electricity generation (5.6% in Q3 to 9.3% in Q4). GDP in FY2016-17 is expected to grow by 7.6% as per RBI and IMF. Favourable monsoon in 2016 is one of the reasons for higher GDP growth boosting agricultural output and rural demand. Improved outlook for the rural economy which has a 51% share in manufacturing and 26% in services will positively impact the non-agriculture sectors. In addition, the Make in India initiatives, creation of Smart cities, the Pay Commission payouts, contained inflation and easy monetary conditions will support increased economic growth.

STEEL INDUSTRY [AS ON 2016]:

GLOBAL OVERVIEW [AS ON 2016]:

Global steel demand declined by 2.7% in 2015 over 2014 on the back of decline in demand in China by 5.4% following deceleration in its economy as it began its transition from investment driven growth to consumption driven growth. Steel consumption in India was healthy and encouraging growing at 5.3% in 2015.

World Steel Association Short Range Outlook October 2016. The global steel demand is expected to grow by a modest 0.2% in 2016 to 1,501 Mt as against a decline of -2.7% in 2015. In China, the steel demand decline during 2016 is projected to be less than earlier expected and is pegged at -1.0% attributed to slowdown in construction and manufacturing sectors. In other regions, challenging economic and political environment, insufficient investment expenditure and continued weakness in the manufacturing sector is affecting steel demand growth across major economies. In US, steel demand growth is projected to remain negative in 2016 from the earlier expectation of a positive growth. The lower than expected job market improvement and lower growth in construction activities and the emerging political scenario is pulling down the demand prospects in 2016. Steel demand in US is forecasted to decline by 1.2% in 2016. In the EU, steel demand growth is expected to be modest although economic sentiments and investment conditions continue to improve. Uncertainties in the political landscape relating to the refugee crisis and Brexit raises risks to the improving economic condition. Steel demand in the EU is forecast to grow by 0.8% in 2016.

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UNSECURED LOANS:

| PARTICULARS | 31.03.2016 INR In Million | 31.03.2015 INR In Million |
|------------------------------|------------------------------|------------------------------|
| LONG TERM BORROWINGS | | |
| Dollar / Rupee Notes | | |
| --From Banks | 2132.600 | 2086.500 |
| --From others | 4.400 | 12.800 |
| sales tax Deferred loan | 333.200 | 333.200 |
| Interoperate deposits | 430.200 | 10003.400 |
| SHORT TERM BORROWINGS | | |
| Intercorporate deposits | 32146.400 | 14712.000 |
| Total | 35046.800 | 27147.900 |

INDEX OF CHARGES:

| S No | SRN | Charge Id | Charge Holder Name | Date of Creation | Date of Modification | Date of Satisfaction | Amount | Address |
|------|---------------|--------------|--------------------------------|------------------|----------------------|----------------------|--------------|---|
| 1 | G01509 157 | 105820 43 | IDBI BANK LIMITED | 30/03/2015 | 02/01/2016 | - | 1000000000.0 | IDBI TOWER, WORLD TRADE COMPLEX CUFFE PARADE MUMBAI MH400005IN |
| 2 | C78264 777 | 105633 54 | SBICAP TRUSTEE COMPANY LIMITED | 27/03/2015 | 02/01/2016 | - | 3126500000.0 | 202 MAKER TOWER E CUFFE PARADE MUMBAI MH400005IN |
| 3 | H20862 496 | 105645 20 | SBICAP TRUSTEE COMPANY LIMITED | 18/03/2015 | 31/03/2018 | - | 1143800000.0 | 202, MAKER TOWER, 'E', CUFFE PARADE, COLABA, MUMBAI MH400005IN |
| 4 | C78729 993 | 105512 58 | SBICAP TRUSTEE COMPANY LIMITED | 20/02/2015 | 02/01/2016 | - | 9348600000.0 | 202 MAKER TOWER E CUFFE PARADE MUMBAI MH400005IN |
| 5 | C79074 530 | 105449 87 | SBICAP TRUSTEE COMPANY LIMITED | 21/01/2015 | 02/01/2016 | - | 3310400000.0 | 202 MAKER TOWER E CUFFE PARADE MUMBAI |

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| | | | | | | | | |
|----|---------------|--------------|---|----------------|----------------|---|---------------|--|
| | | | | | | | | MH400005IN |
| 6 | C78723 392 | 105449 82 | SBICAP TRUSTEE COMPANY LIMITED | 12/01/2 015 | 02/01/2 016 | - | 22537629642.0 | 202 MAKER TOWER E CUFFE PARADE MUMBAI MH400005IN |
| 7 | C78042 603 | 105387 36 | SBICAP TRUSTEE COMPANY LIMITED | 23/12/2 014 | 02/01/2 016 | - | 11166760000.0 | 202 MAKER TOWER E CUFFE PARADE MUMBAI MH400005IN |
| 8 | C78249 844 | 105381 54 | SBICAP TRUSTEE COMPANY LIMITED | 18/12/2 014 | 02/01/2 016 | - | 1054744600.0 | 202 MAKER TOWER E CUFFE PARADE MUMBAI MH400005IN |
| 9 | C78130 648 | 105335 86 | SBICAP TRUSTEE COMPANY LIMITED | 26/11/2 014 | 02/01/2 016 | - | 1792751000.0 | MAKER TOWER ECUFFE PARADE MUMBAI MH400005IN |
| 10 | C78081 692 | 105239 06 | SBICAP TRUSTEE COMPANY LIMITED | 27/09/2 014 | 02/01/2 016 | - | 3000000000.0 | 202 MAKER TOWER E CUFFE PARADE MUMBAI MH400005IN |

CONTINGENT LIABILITIES:

| PARTICULARS | 31.03.2016 INR in Million |
|---|--------------------------------------|
| Disputed Sales Tax/VAT/ Entry Tax matters in respect which the Company has gone in appeal | 186.800 |
| Disputed Excise Duty matters in respect which the Company has gone in appeal | 1.700 |
| Disputed Custom Duty / Export Duty matters in respect which the Company has gone in appeal | 1341.100 |
| Tax on sale of Electricity demanded by collector of electricity duty on Essar Power Limited | 459.100 |
| Electricity Duty demand ¹ | 6090.100 |
| Wheeling Charges demanded by GETCO ² | 3930.100 |
| Freight Claim by South East Railway | 1005.300 |
| Disputed Differential Electricity Duty | 493.900 |
| Electricity Charges by DGVCL ³ | 1925.800 |
| Disputed Cross Subsidy ⁴ | 3272.800 |
| Others | 257.800 |

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FIXED ASSETS:

- Freehold Land
- Leasehold Land
- Buildings
- Leasehold Building
- Plant and Machinery
- Leasehold Plant and Machinery
- Furniture and Fixtures
- Office Equipment
- Computers
- Vehicles
- Ships and Vessels
- Railway Sidings and Wagons
- Leasehold Railway Sidings and Wagons
- Aircraft
- Software's

PRESS RELEASES

**AGREEMENT BETWEEN ARCELORMITTAL AND NSSMC REGARDING JOINT VENTURE TO ACQUIRE
ESSAR STEEL INDIA LIMITED**

02, March 2018

ArcelorMittal (The Company) has signed a joint venture formation agreement with Nippon Steel & Sumitomo Metal Corporation (NSSMC) in relation to its offer to acquire Essar Steel India Limited (Essar Steel). The Company's subsidiary ArcelorMittal India Private Limited (AMIPL) submitted a Resolution Plan for Essar on 12 February, which outlined the intention to have NSSMC formally join its bid for Essar Steel. Should the submitted Resolution Plan be selected and formally accepted by India's National Company Law Tribunal, ArcelorMittal and NSSMC would jointly acquire and manage Essar Steel.

In its Resolution Plan, AMIPL set out a detailed industrial and turnaround plan aimed at restoring Essar Steel's fortunes, enabling it to realise its full potential and participate in the anticipated steel demand growth in India.

Commenting, Mr. Lakshmi Mittal, Chairman and CEO, ArcelorMittal, said:

"Partnering with NSSMC for Essar Steel was always our intention and adds further strength to our offer. Combining our experience and expertise creates a powerful partnership that has a proven track record - our rich history of positive collaboration dates back more than 20 years with three joint ventures in the US. We believe that together we can contribute our knowledge and technology to support a rapid turn-around in Essar's performance, enabling it to increase production, enhance its product capabilities and make a meaningful contribution to the future growth of India's manufacturing sector and the development of its economy."

ArcelorMittal and NSSMC have operated I/N Tek and I/N Kote in Indiana, USA, under joint venture agreements since 1987. I/N Tek and I/N Kote are high-added value downstream steel finishing facilities which serve the automotive and domestic appliance markets.

More recently, in 2014, ArcelorMittal partnered with NSSMC on the acquisition of AM/NS Calvert, a state-of-the-art downstream finishing facility in Alabama, USA. The facility, which opened in 2010 and has a 5.3 million tonne capacity, was the largest newly constructed steel facility in the US in 40 years but had failed to reach its potential. A major investment programme has been undertaken following the acquisition. The programme focussed on improving the facility's finishing lines to enable the production of higher-added value steel products, including production of Usibor®, ArcelorMittal's flagship advanced high-strength steel for the automotive sector, and increasing slab staging capacity and efficiency. These investments have helped to facilitate a rapid improvement in AM/NS Calvert's performance: capacity utilisation rates have improved by over 20 per cent; shipments to the automotive sector more than doubled between 2015 and 2017; and productivity at the hot strip mill has increased by over 1 million tonnes since the acquisition.

NUMETAL MOVES NCLT TO PROVE ELIGIBILITY FOR ESSAR STEEL BID

VTB Capital-backed Numetal is one of the bidders for Essar Steel. The competing bid has been submitted by Luxembourg-based ArcelorMittal.

March 21, 2018

Numetal Limited on Wednesday said it has approached the NCLT, seeking a declaration for eligibility to submit its plan for Essar Steel, on apprehensions that lenders may not consider its resolution plan the debt-laden steel company.

"Numetal Limited (Numetal) filed an application on March 20, 2018 before the NCLT, Ahmedabad (NCLT) seeking a declaration that Numetal is eligible to submit a resolution plan for Essar Steel India Limited (ESIL)," the company said in a statement issued today.

Numetal, led by VTB Capital of Russia, is one of the bidders for the distressed Essar Steel. Another bid has been submitted by Luxembourg-based ArcelorMittal. The last day to submit the bids was February 12, 2018.

"Numetal apprehends that full facts submitted by Numetal for determination of its eligibility to submit a resolution plan have not been appropriately assessed," the statement said.

It stressed that the application was necessitated as there is some apprehension that its resolution plan may not be considered properly by the Committee of Creditors (CoC).

Accordingly, in the application, the company said all necessary facts for determining the eligibility of Numetal have been placed before the NCLT for an objective assessment.

"The NCLT, on hearing the counsel appearing for Numetal, has issued a notice to the CoC through the Resolution Professional (RP)," it said.

The National Company Law Tribunal (NCLT) also observed that any decision taken or resolution passed by the CoC in the meeting on March 21, 2018 would be subject to the outcome of the application, it added.

"The next date of hearing of the application is April 4, 2018, as per the Attendance-Cum-Order sheet of the hearing of Ahmedabad Bench of NCLT," it said.

NCLAT AGREES TO HEAR NUMETAL, ARCELORMITTAL PETITION IN ESSAR STEEL CASE

APRIL 27, 2018

The National Company Law Appellate Tribunal (NCLAT) today agreed to hear on May 17 cross petitions filed by Essar SteelNSE 0.00 % bidders, NuMetal Ltd and ArcelorMittal India Limited, challenging eligibility criteria.

The NCLAT issued notices to a committee of Essar Steel creditors, the resolution professional running an auction of the company and the two bidders on the cross petitions.

Russia's VTB Capital-backed NuMetal Ltd has challenged a lower company court order allowing rival ArcelorMittal to clear bank dues of associate companies so that it can become eligible for acquisition of Essar Steel.

ArcelorMittal on the other hand has challenged its disqualification from bidding.

The cross petitions were mentioned before a bench of NCLAT which issued notices, replies and rejoinders of which are to be filed within one week. The matter has been fixed for hearing on May 17.

The NCLAT took up the petitions on a day when a panel of lenders to Essar Steel is slated to meet to decide if fresh bids are to be called.

In the petition, NuMetal said the Ahmedabad-bench of National Company Law Tribunal had disqualified Arcelor Mittal India Ltd from bidding to acquire Essar Steel on grounds that it was a promoter company of firms that had defaulted on payment of bank loans.

The NCLT had, however, "erred" in permitting ArcelorMittal India Ltd "to cure the ineligibility by making payment of the overdue amounts of Uttam Galva and KSS Petron" within 30 days, it said.

Allowing ArcelorMittal to clear dues after the government frame legislation, barring promoters who had defaulted on bank loans from bidding for companies that were being auctioned to recover unpaid loans, was not in accordance with the law, it contends.

NuMetal sought setting aside and quashing of the NCLT order that directed the resolution professional (RP) conducting the auction and the committee of creditors of Essar Steel India Ltd to "reconsider the resolution plan submitted by Arcelor Mittal India Private Limited and afford Arcelor Mittal India Ltd an opportunity to make payment of the over dues amount of Uttam Galva Steels Limited and KSS Petron Private Limited after the submission of the resolution plan for Essar Steel and cure the ineligibility".

Essar Steel had a debt of INR 490000.000 million and was referred to NCLT in June last year.

ArcelorMittal in a separate petition challenged its disqualification on the grounds that it had exited Uttam Galva before submitting a bid for Essar Steel on February 12.

ESSAR STEEL BIDDING: NCLAT TO HEAR ARCELORMITTAL, NUMETAL PLEAS TOMORROW

MAY 29 2018

NCLAT's direction came over a petition filed by the lenders of debt-ridden Essar Steel requesting an early hearing on account of loss of money because of delays

The National Company Law Appellate Tribunal (NCLAT) on Tuesday allowed a plea by the committee of creditors (CoC) for Essar Steel Ltd seeking an early hearing on the cross appeals moved by two resolution applicants for the company, ArcelorMittal India Private Limited and Numetal Limited, challenging their disqualification from the bidding process.

The matter, which was posted for hearing on 23 July, would now be heard on 30 May.

In April, the National Company Law Tribunal (NCLT) had set aside the first round of bidding for Essar Steel by Numetal and ArcelorMittal on the ground that the CoC and the resolution professional did not follow the procedure prescribed under the Insolvency and Bankruptcy Code (IBC).

The tribunal, however, allowed the two final resolution applicants, ArcelorMittal and Numetal, to cure their ineligibility under Section 29A.

Following the NCLT order, the two resolution applicants preferred an appeal before NCLAT.

On 22 May, the appellate tribunal directed the insolvency resolution professional and CoC for Essar Steel Ltd as well as NCLT's Ahmedabad bench to not pass any order, including an order of liquidation, with respect to Essar Steel's insolvency, effectively putting the corporate insolvency process for debt-ridden Essar Steel on hold.

BITTER COURT WARS BOG DOWN ARCELOR, TATA AS INDIA LAW TESTED

MAY 14, 2018

India's new bankruptcy law is being bogged down by bitter court room disputes that include the likes of ArcelorMittal and the Tata Group -- jeopardizing the law's promise of time-bound resolution in a country famous for its sluggish legal system.

None of the 12 large debtor companies that the central bank forced into bankruptcy court in June have been sold yet. The National Company Law Tribunal or NCLT, in charge of the process, has extended a 270-day deadline enshrined in the law for Bhushan Power & Steel Limited and Essar Steel India Limited by excluding the days under litigation. Others may follow as the courts are inundated with appeals from founders, administrators, lenders and bidders.

The successful resolution of about \$210 billion in stressed loans is crucial to Prime Minister Narendra Modi efforts to clean-up the balance sheets of state-run banks, which hold nearly 90 percent of impaired assets. The first 12 large cases are being closely watched to gauge whether India can hasten the pace of bad-loan recovery, which the World Bank puts at 4.3 years, ranking the nation at 103 for resolving insolvency.

"Discretionary extensions run the risk of setting a dangerous precedent, driving a hole through the very integrity of the code," said Ran Chakrabarti, a New Delhi-based finance lawyer and partner at IndusLaw. Should the courts

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water down the 270-day period, “we’re back to square one, and any hope of a swift liquidation process and an efficient recycling of capital -- the very point of any insolvency law -- will go out of the window.”

In what was seen as an initial success for the law, Electrosteel Steels Ltd. was awarded to billionaire Anil Agarwal’s Vedanta Ltd. The hurrah was short-lived as the process has now been stalled by a court order following an appeal by a rival bidder.

The company tribunal has repeatedly postponed a verdict on a bid for Monnet Ispat & Power Ltd. by JSW Steel Ltd. and Apollo Global Management LLC-backed Aion Capital Partners. Tata Steel Ltd. is waiting on final approval for its purchase of Bhushan Steel Ltd., even as it appeals an order allowing a late bid by Liberty House Group for Bhushan Power. ArcelorMittal and a VTB Capital-backed consortium are in court over Essar Steel.

Based on the U.S. experience, it seemed “perfectly predictable and, in fact, necessary” for there to be a period of many years during which India’s bankruptcy rules are worked out and refined, Adam Feibelman, a professor at Tulane University Law School specializing in bankruptcy law, said in a March 29 emailed response to questions.

Beyond the 12, the fight for Binani Cement Ltd. is also emerging as a test case, with a consortium backed by Bain Capital Credit slugging it out with billionaire Kumar Mangalam Birla’s UltraTech Cement Ltd. While the former had the winning bid under the bankruptcy process, Birla’s company made a late counteroffer and then signed an agreement with Binani’s founders to buy the asset. The matter has been taken to an appellate tribunal and the nation’s supreme court before being referred back to the lenders’ committee.

Bankruptcies Are Booming in India, But Where Are the Judges?

“If in nine months you can’t get a resolution done then you’ve failed the law,” said Shardul S. Shroff, executive chairman of law firm Shardul Amarchand Mangaldas & Co., which represents one of the Binani suitors. “The battle for victory is not the end game for resolution plan, reviving the company is. Therefore, tribunal should avoid getting caught up by challenges and attempts by losing bidders to somehow or the other get back into the game.”

Following is the status of the 12 large defaulters identified by the Reserve Bank of India in June.

| Company | Claims (INR Billion) | 270-Day Deadline | Current Status |
|-----------------------|----------------------|------------------|---|
| Bhushan Steel | 559.9 | April 22 | NCLT approval pending on offer by Tata Steel |
| Lanco Infratech | 515.1 | May 4 | Administrator may file application for liquidation |
| Essar Steel | 507.8 | May 29 | Plea by bidders in appeals court on May 17 |
| Bhushan Power | 485.2 | April 22 | Tata Steel’s plea in appeals court due on May 24 on Liberty’s bid |
| Alok Industries | 299.1 | April 14 | NCLT to hear appeals objecting to liquidation on June 11 |
| ABG Shipyard | 185.4 | April 28 | Tribunal extends deadline by excluding period under litigation; NCLT to hear Liberty’s application on June 13 |
| Jaypee Infratech | 133.2 | May 12 | Creditors reject resolution plan by Lakshadweep Investments |
| Electrosteel Steels | 133 | April 16 | Sale to Vedanta put on hold as appeals court to hear Renaissance plea on May 17 |
| Amtek Auto | 125.9 | April 20 | NCLT decision pending on Liberty resolution plan |
| Monnet Ispat & Energy | 104.1 | April 13 | NCLT hearing on June 25 on JSW-Aion’s resolution plan |

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| Jyoti Structures | 80.8 | March 31 | NCLT nod awaited on resolution plan by unnamed applicant |
| Era Infra Engineering | Not yet filed | February 2019 | Tribunal admits insolvency case on May 8 |

NCLAT PUTS ESSAR STEEL INSOLVENCY PROCESS ON HOLD

May 22 2018

The National Company Law Appellate Tribunal (NCLAT) on Tuesday directed the insolvency resolution professional and committee of creditors (CoC) for Essar Steel Ltd as well as National Company Law Tribunal's (NCLT) Ahmedabad bench to not pass any order, including an order of liquidation, with respect to Essar Steel's insolvency.

This order effectively puts the corporate insolvency process for debt-ridden Essar Steel on hold.

A two-judge NCLAT bench headed by justice S.J. Mukhopadhyay also admitted the cross appeals moved by two resolution applicants for Essar Steel, ArcelorMittal India Pvt. Ltd and Numetal Ltd, and listed them to be heard on a daily basis from 23 July.

Meanwhile, the resolution professional would continue discharging his duties with respect to the management of the company.

In April, NCLT had set aside the first round of bidding for Essar Steel by Numetal and ArcelorMittal on the ground that the CoC and the resolution professional did not follow the procedure prescribed under the Insolvency and Bankruptcy Code (IBC).

The tribunal, however, allowed the two final resolution applicants, ArcelorMittal and Numetal, to cure their ineligibility under Section 29A.

While ArcelorMittal was disqualified for its relation with debt-ridden Uttam Galva and KSS Petron, Mauritius-based Numetal was disqualified for having links with Essar promoters, the Ruia family.

ArcelorMittal has challenged its disqualification under the IBC. Numetal, backed by Russia's VTB Capital, has not only challenged its own disqualification but also disputed the permission granted to rival ArcelorMittal to clear bank dues of associate companies to cure its ineligibility.

Following NCLT's direction, ArcelorMittal has deposited Rs7,000 crore in an escrow account with the State Bank of India to settle the dues of Uttam Galva Steels and KSS Petron on the condition that it is declared the successful resolution applicant for Essar Steel.

The resolution period deadline for Essar Steel is 28 May.

ESSAR STEEL: ARCELOR WITHDRAWS LETTER LISTING VEDANTA'S LAPSES

September 17 2018

IN TACIT ADMISSION OF FAUX PAS, ARCELOR ASKS ESSAR STEEL'S RP TO IGNORE ITS LETTER LISTING VEDANTA'S INFRACTIONS

Mumbai: ArcelorMittal India Private Limited has withdrawn its letter to the Essar Steel resolution professional (RP) wherein it had hinted that Vedanta may not be eligible to bid for the debt-laden company, given its patchy environmental and human rights record.

The first letter on 15 September, written to the court-appointed RP, Satish Kumar Gupta, ran into six pages and listed the various infractions committed by Vedanta and its sister companies.

In a tacit admission of a faux pas, the second letter, a one-pager written on 16 September, requested the RP to ignore the first. "An internal draft of such a letter was inadvertently shared with you. Please ignore the communication for now. We regret any inconvenience caused to you." Mint has reviewed both letters, which were signed by Sanjay Sharma, the chief executive officer, India and China, ArcelorMittal.

ArcelorMittal, promoted by Indian-born L.N. Mittal, is the largest steel company in the world, and is engaged in a battle for control of Essar Steel, which owns a 10-million tonne steel plant in Gujarat. Essar Steel was admitted into bankruptcy court earlier this year as it was unable to pay its debt of INR 507860.000 million.

Mittal has bid INR 420000.000 million to buy out Essar Steel, while Vedanta's bid was at INR 340000.000 million. Numetal, a consortium promoted by Russia's VTB Bank, has also placed a bid of INR 370000.000 million for Essar.

Over the last few months, both ArcelorMittal and Numetal, the front runners in the three-way battle for Essar, have been attempting to disprove each other's eligibility as qualified bidders. Last week, ArcelorMittal contested the eligibility of Numetal at the Supreme Court saying it was formed by Aurora Enterprises Ltd, where Rewant Ruia is a prominent shareholder. The Ruia family are the original promoters of Essar Steel and are disqualified from reclaiming their bankrupt company under Section 29A of the Insolvency and Bankruptcy Code.

ArcelorMittal's letter to the RP appears to say that the company had intended to train its guns on Vedanta, the lowest bidder in the fray, as well. In the first letter, Sharma of ArcelorMittal had said: "We believe that one of the cornerstones of the IBC process is full and complete disclosure of all material facts necessary for the committee of creditors to assess the eligibility of the resolution applicants as well as the feasibility and viability of any resolution plan submitted by such applicants."

The letter then lists environmental law violations committed in India (specifically Tuticorin and Lanjigarh), Zambia and other jurisdictions, illegal mining, disregard for safety standards and human rights violations, involving the Vedanta Group, in order to "maintain the sanctity of the IBC process, as well as in the interest of transparency".

The facts mentioned in the letter regarding Vedanta and its sister companies are public knowledge. ArcelorMittal points to the recent violence that broke out at Tuticorin, Tamil Nadu, when a copper smelter operated in the town by Sterlite, a subsidiary of Vedanta's, was accused of damaging the local environment. The letter says that the

Supreme Court has admitted a civil appeal and issued notice to Sterlite for dumping over 3.52 lakh tonnes of copper slag waste in the water-spread area of Uppar river.

The letter also refers to Konkola Copper Mines, a Zambian subsidiary of Vedanta Plc, which was convicted in 2015 under the (Zambian) Environment Protection and Pollution Control Act, 1990, for water pollution, which poisoned thousands of Chingola residents in 2006.

It also points to Sesa Goa, another subsidiary of Vedanta Ltd, which the Supreme Court pulled up in 2014 for illegal mining in Goa. Its mining licences were suspended as are the environmental clearances granted to its mines in Goa. ArceorMittal also pointed to lax safety standards at Bharat Aluminium Co. Ltd, an aluminium plant run by Vedanta in Chhattisgarh, and investigations by the Indian National Human Rights Commission into human rights violations associated with Vedanta's operations in Lanjigarh. ArcelorMittal also pointed out that several large foreign investors, including the Norwegian Pension Fund and the Church of England, had withdrawn their investment in Vedanta Plc citing lax ethical standards.

A representative for ArcelorMittal declined to comment on the letters. When contacted, a spokesperson for Vedanta Ltd said: "We are highly disappointed that such baseless and irrelevant issues are being raised and unfounded allegations are being made with the objective to malign competitors. Similar condemnable attempts were made at the time of our bid for Electrosteel Steels Ltd as well, and the same were dealt with by NCLT and NCLAT appropriately by dismissing the challenges of competing resolution applicants. NCLAT in its order dated 10 August 2018 declared Vedanta Ltd an eligible applicant under Section 29A of the IBC."

RUSSIA'S VTB GROUP CONTINUES TO BE INTERESTED IN ESSAR STEEL

OCTOBER 5, 2018

New Delhi, Oct 5 () Russia's VTB Group said Friday it intends to pursue investing in Essar Steel for which its backed Numetal is locked in a bitter contest with the world's largest steel producer ArcelorMittal.

VTB Group head Andrei Kostin said the firm continues to be "interested" in Essar Steel.

"Our goal remains the same. Yesterday, the Supreme Court made certain decisions, lawyers are now studying (them). Depending on the decision we will determine our future strategy and tactics. The finalisation of the transaction depends on the decision of the Indian courts, so this saga will continue for some time," he told reporters here.

The Supreme Court had on Thursday granted one more opportunity to ArcelorMittal and VTB Group-backed NuMetal to bid for Essar Steel, provided they clear bank outstanding of their associated delinquent firms. Initially, Numetal offered INR 370000.000 million to buy out Essar Steel. This amount was higher than ArcelorMittal's first round of offer. Later, ArcelorMittal revised the bid to INR 420000.000 million, which Numetal said it was willing to match.

The Supreme Court however on Thursday held that ArcelorMittal India Pvt Ltd and NuMetal Ltd were ineligible to file resolution plans for corporate debtor Essar Steel -- which had NPAs or bad debts amounting to INR 450000.000 million -- as per the criteria laid down in the amended Insolvency and Bankruptcy Code (IBC).

To become eligible, they have to clear loans defaulted by their associate firms. ANZ MR MR

SC GIVES ESSAR BIDDERS FORTNIGHT TO CLEAR DUES

OCTOBER 04, 2018

DECISION AFTER CREDITORS' COMMITTEE APPEALS TO BENCH FOR ANOTHER CHANCE TO PARTIES TO PAY OFF DEBTS

The Supreme Court on Thursday struck a reconciliatory note in the ArcelorMittal-Numetal spat in relation to the auction of distressed Essar Steel by giving both companies a fortnight to pay off the NPAs of their related corporate debtors and re-submit resolution plans.

A Bench of Justices Rohinton Nariman and Indu Malhotra, in a judgment, modified a National Company Law Appellate Tribunal (NCLAT) decision that Mittal should pay the dues before bidding. The tribunal had, however, cleared the Russian VTB Bank-back Numetal group to place its bid.

CONSTITUTIONAL POWERS

The Bench's decision to give another opportunity came after the Committee of Creditors urged the apex court to exercise its extraordinary constitutional powers under Article 142 of the Constitution to render complete justice in the case.

The judgment, authored by Justice Nariman, referred to how senior advocate Gopal Subramaniam, on behalf of the Committee of Creditors, "requested us to give one more opportunity to the parties before us to pay off their corporate debtors' respective debts in accordance with Section 29A [of the Insolvency and Bankruptcy Code, 2016], as the best resolution plan can then be selected by the requisite majority of the Committee of Creditors, so that all dues could be cleared as soon as possible." "Acceding to this request, in order to do complete justice under Article 142 of the Constitution of India, and also for the reason that the law on Section 29A has been laid down for the first time by this judgment, we give one more opportunity to both resolution applicants to pay off the NPAs of their related corporate debtors within a period of two weeks from the date of receipt of this judgment." Justice Nariman directed.

If such payments are made within the next two weeks, both resolution applicants can resubmit their resolution plans of April 2, 2018 to the Committee of Creditors. The Committee has been given eight weeks to accept, by the requisite majority, the best among the plans submitted.

This includes the resolution plan submitted by Vedanta, who is also another prospective bidder.

"We make it clear that in the event that no plan is found worthy of acceptance by the requisite majority of the Committee of Creditors, the corporate debtor, i.e. ESIL (Essar Steel India Limited), shall go into liquidation," the apex court ordered.

The Supreme Court's judgment is based on an appeal by ArcelorMittal against the NCLAT decision of September 7, allowing rival Numetal to place second round bids worth INR 370000.000 million for Essar Steel while ordering the Luxembourg-based Mittal to first clear the INR 70000.000 million dues of its previously associated subsidiaries in order to qualify to bid.

The appellate tribunal had also asked lenders, who are auctioning Essar Steel, to recover over INR 490000.000 million of unpaid loans, to consider second round of bids by Numetal and Vedanta.

ESSAR STEEL INSOLVENCY CASE: SUPREME COURT ALLOWS ARCELORMITTAL, NUMETAL TO BID AGAIN, WITH RIDER

October 5, 2018

AMIPL AND NUMETAL HAD BID FOR ESIL FIRST IN FEBRUARY BUT THIS WAS REJECTED BY THE COMMITTEE OF CREDITORS (COC) OF ESIL FINDING THEM VIOLATIVE OF SECTION 29(A) OF THE CODE.

The Supreme Court on Thursday allowed ArcelorMittal India Private Limited (AMIPL) and Numetal to bid once more for Essar Steel India Ltd (ESIL) if they can clear the outstanding dues in two weeks.

A Bench of Justices R F Nariman and Indu Malhotra found both parties ineligible under the Insolvency and Bankruptcy Code for submitting restoration plans as they have not paid off the non-performing assets (NPAs) of corporate debtors related to them, the court invoked its extraordinary powers under Article 142 and gave them two-week time to clear the dues.

Vedanta Group, promoted by Anil Agarwal, also has submitted a bid for ESIL.

Giving the two-week time to make the payments, the Bench ruled, "if such payments are made within the aforesaid period, both resolution applicants (AMIPL & Numetal) can resubmit their resolution plans... to the Committee of Creditors, who are then given a period of 8 weeks from this date, to accept, by the requisite majority, the best amongst the plans submitted, including the resolution plan submitted by Vedanta".

The bench also made it clear that "in event that no plan is found worthy of acceptance by the requisite majority of the Committee of Creditors, the corporate debtor, i.e. ESIL, shall go into liquidation".

The court was hearing appeals by AMIPL challenging the September 7 order of the National Company Law Appellate Tribunal (NCLAT) finding it ineligible to bid till it cleared loan defaults to the tune of nearly INR 70000.000 million by its associated companies Uttam Galva Ltd and KSS Petron Ltd.

The NCLAT also held that Numetal, which is a consortium led by the Russian bank VTB was eligible to participate in the resolution process. ArcelorMittal also questioned this before the apex court.

AMIPL and Numetal had bid for ESIL first in February but this was rejected by the Committee of Creditors (CoC) of ESIL finding them violative of section 29(A) of the Code.

Section 29(A) disqualifies promoters of companies which have been classified as non-performing assets for over a year from participate in the resolution process of any company unless they repay the dues.

Though they submitted bids again in the second round, AMIPL was again found ineligible while Numetal managed to be cleared by bringing about changes in its shareholding patterns.

ARCELORMITTAL WINS BANKRUPT ESSAR STEEL DESPITE RUIAS' LAST DITCH EFFORT

26 October 2018

ArcelorMittal has finally won the bid for bankrupt Essar Steel, despite last-ditch attempts by the Ruia family, promoters of Essar Steel Ltd, to eject ArcelorMittal out of the insolvency resolution process with an offer to repay INR 543890.000 million to creditors.

The Committee of Creditors (CoC) for Essar Steel selected ArcelorMittal's bid late last night even as shareholders of the bankrupt company made the last minute settlement offer to bypass the Insolvency and Bankruptcy Code (IBC).

In a press statement on Thursday, shareholders of Essar said they are willing to pay INR 543890.000 million to creditors. The company said Essar shareholders will offer upfront cash payment of INR 475070.000 million to all creditors. This included INR 455590.000 million to the senior secured financial creditors.

Essar Steel owes its financial and operational creditors INR 543940.000 million as per data provided by the resolution professional on the company's website.

The CoC, which had already selected the Lakshmi Mittal Company as preferred bidder, finally accepted the companies' revised offer of upfront payment of INR 420000.000 million.

ArcelorMittal's offer trumped Vedanta's upfront offer of INR 350000.000 million, while VTB-backed Numetal remained ineligible.

ArcelorMittal today announced Essar Steel India Limited's Committee of Creditors has voted to approve the company's acquisition of ESIL. ESIL's resolution professional, on behalf of the CoC, has issued the company with a letter of Intent (LOI) stating that the company has been identified as the 'successful applicant'.

ArcelorMittal's resolution plan for Essar Steel includes an upfront payment of INR 420000.000 million (\$5.7 billion) towards ESIL's resolution debt, with a further INR 80000.000 million (\$1.1 billion) of capital injection into ESIL to support operational improvement, increase production levels and deliver enhanced levels of profitability.

ESIL is an integrated flat steel producer, and the largest steel company in western India. Its current level of annualised crude steel production is 6.5 million tonnes. ESIL also has iron ore pellet facilities in the east of India, with current annual capacity of 14 million tonnes per annum.

ArcelorMittal intends to increase ESIL's finished steel shipments to 8.5 million tonnes over the medium-term. The company aims to achieve this by initially completing ongoing capital expenditure projects and infusing expertise and best practice to deliver efficiency gains, and then through the commissioning of additional assets, while simultaneously improving product quality and grades to realise better margins.

The revival plan will be anchored on a "long-term aspiration to increase finished steel shipments to between 12 and 15 million tonnes through the addition of new iron and steel making assets," ArcelorMittal stated.

ESIL's corporate insolvency process must now be formally accepted by the National Company Law Tribunal (NCLT) before completion, which is expected before the end of 2018.

After completion, ArcelorMittal will jointly own and operate ESIL in partnership with Nippon Steel & Sumitomo Metal Corporation, Japan's largest steel producer and the third largest steel producer in the world, in-line with the joint venture formation agreement signed with NSSMC on 2 March 2018. ArcelorMittal and NSSMC expect to finance the joint venture through a combination of partnership equity (one-third) and debt (two-thirds), and ArcelorMittal anticipates that its investment in the joint venture will be equity accounted.

LENDERS ACCEPT ARCELORMITTAL RESOLUTION PLAN FOR ESSAR STEEL

October 19 2018

Mumbai: Essar Steel Ltd lenders on Friday accepted the resolution plan presented by ArcelorMittal, the highest bidder for the debt-laden steelmaker with an offer of ₹42,000 crore. The recommendation of Essar Steel's committee of creditors (CoC) will now go to the National Company Law Tribunal for its approval.

The creditors' decision came after they heard the presentations by ArcelorMittal and Vedanta on their respective resolution plans on Friday.

Earlier in the day, the creditors declared Numetal Mauritius ineligible to bid for the beleaguered steel firm as it had not paid its dues before the 19 October deadline.

They gave a clean chit to ArcelorMittal Netherlands NV, leaving it in the field along with Vedanta Resources Plc.

ArcelorMittal settled ₹7,469 crore outstanding liabilities of Uttam Galva Steels and KSS Petron, two companies in which L.N. Mittal, a director in ArcelorMittal, is a promoter, clearing the barrier for eligibility to bid for Essar Steel. Under Section 29A of the Insolvency and Bankruptcy Code (IBC), bidders cannot be connected to other defaulting entities.

Numetal was required to clear the debt of Essar Steel and other Essar companies, given the "looming presence of Rewant Ruia" in the Numetal consortium. Rewant is part of the Ruia family, the erstwhile promoters of Essar Steel. While the actual amount due is unclear, the lowest possibility was INR 490000.000 million, while multiple bankers pegged it at more than INR 1 trillion.

Mint reported on 18 October that Numetal is unlikely to clear its dues and may be declared ineligible.

"ArcelorMittal cleared its dues on Thursday and the payment proof has been submitted to the CoC," said a person aware of the development.

Meanwhile, VTB Bank of Russia, which is a majority shareholder in the Numetal Mauritius consortium, approached the Supreme Court on 12 October seeking permission to submit a solo bid. The case is yet to come up for hearing.

A person aware of developments at Numetal said that the company may yet try to make a comeback by raking up the outstanding dues of other entities related to Uttam Galva and KSS Petron. Legal action to make some of these dues enforceable on ArcelorMittal might be an option for Numetal to explore, he said.

"Numetal can approach the National Company Law Tribunal now to point out that Petron Engineering Construction Ltd, Uttam Galva Metallics and Uttam Value Steel, which are bankrupt and where claims of up to INR 65000.000 million have been filed, are also connected to ArcelorMittal," this person said.

Mint could not independently verify this claim. However, if this is proven in court, it could increase the cost of acquisition for ArcelorMittal.

Spokespersons for ArcelorMittal and Numetal declined to comment on the development.

"Right now, it seems Numetal is out of the reckoning altogether," said a steel industry expert who did not want to be named. "They might try to stretch this process out further legally, making it difficult for ArcelorMittal to go ahead with the acquisition."

Separately, a banker aware of the proceedings said that there will be no fresh round of bidding.

Initially, ArcelorMittal submitted a bid of INR 380000.000 million and Vedanta's bid was valued at around INR 340000.000 million. In September, however, ArcelorMittal unilaterally raised its bid to INR 420000.000 million.

STANDARD CHARTERED BANK CHALLENGES ESSAR STEEL'S RESOLUTION PLAN

November 26, 2018

Standard Chartered Bank, the third-largest secured financial creditor of Essar Steel, has filed an application before the bankruptcy court alleging that the resolution professional and Essar's committee of creditors (CoC) approved a resolution plan that does not comply with the Insolvency and Bankruptcy Code.

In its plea before the NCLT Ahmedabad bench, Standard Chartered also said that the CoC had negotiated with the resolution applicant (ArcelorMittal) exclusively, and misused its voting rights to create an artificial distinction among the secured creditors. That has led to a drastic reduction in Standard Chartered's dues to only Rs60 crore from INR 34870.000 million. Of this, the secured principal outstanding amounts to INR 26460.000 million, the bank alleged.

It urged the bench to either reject the Arcelor Mittal resolution plan or, alternatively, direct ArcelorMittal to distribute INR 420000.000 million so that financial creditors get their dues on a pro-rata basis on the amount of admitted claims by the RP or the principal amount, with a direction that Standard Chartered must get at least INR 26460.000 million.

Essar's CoC had last month approved an INR 420000.000 million resolution plan by ArcelorMittal which reflected 100% of the principal outstanding dues of Essar Steel's secured financial creditors.

As per ArcelorMittal's submission to the Supreme Court on its proposal in September 2018, Stanchart said it was entitled it to receive a minimum of INR 26460.000 million of its dues. Incidentally, Standard Chartered had voted against the resolution plan. Immediately thereafter, Essar's promoters also came up with an INR 540000.000 million plan that seeks to repay all its creditors.

Standard Chartered declined to comment on the matter. Other banks in the CoC, including the State Bank of India, could not be immediately reached for their comments.

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Commenting on the development, an Arcelor Mittal spokesperson said: "We have followed the IBC process in good faith since first submitting our Eolin 2017. The committee of creditors has clearly decided ArcelorMittal's plan is in the best interests of Essar Steel and we are confident that the process will be implemented correctly and according to the law."

Standard Chartered said in its application that it had extended a loan of \$500 million to Essar Steel Offshore (ESOL) in August 2010 for securing long-term arrangements for coal as part of a major expansion in Essar Steel. However, owing to financial difficulties at ESOL, the facility was refinanced to the tune of \$413 million in February 2014, with an extended repayment schedule. It included an irrevocable guarantee from Essar Steel.

To secure the loan, Essar had also pledged some 71 million ordinary shares of ESOL in favour of Standard Chartered, the bank said.

In its application, Standard Chartered has said that the CoC had opposed its inclusion in the Joint Lenders Forum before the initiation of Corporate Insolvency Resolution Process against Essar Steel and alleged that the CoC had "always harboured an attitude of spite and bias" against it.

Standard Chartered is aggrieved by the CoC practice of forming a core committee of the CoC, which it believes is outside the scope of IBC. The core committee included State Bank of India, ICICI Bank, IDBI bank and Edelweiss ARC. The petition alleged that this panel 'illegally' negotiated with ArcelorMittal and retained the right to distribute the amount of INR 420000.000 million of upfront payment among the financial creditors as per the choice of the core committee members.

The application said that the core committee members recommended Standard Chartered receive INR 607.100 million against the admitted claim of INR 34870.900 million, or only 1.47%.

SBI and other lenders, meanwhile, took a bigger share of the amount whereby the lenders would receive 100% of the principal amount and 40% of the interest amount, the bank said in its plea.

More than a week ago, the committee of creditors in the Essar Steel bankruptcy case sought the dismissal of two applications that could potentially delay debt resolution at the stressed steelmaker, ET reported on November 16.

The committee also sought day-to-day hearing of other such applications, filed by operational creditors. A group of 30 vendors, who had supplied goods and services to Essar, came together to petition the NCLT's Ahmedabad chapter asking for their dues worth more than INR 6000.000 million.

OPERATIONAL CREDITORS MOVE NCLT AGAINST ARCELORMITTAL TAKEOVER OF ESSAR STEEL

28 operational creditors approached the bankruptcy court claiming settlement of their dues of over INR 3800.000 million

November 13 2018

Ahmedabad: ArcelorMittal's move to buy Essar Steel faces yet another challenge with operational creditors approaching the National Company Law Tribunal, Ahmedabad bench, for being ignored in Arcelor's bid that has been accepted by the committee of creditors (CoC).

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After unsecured creditors, including Standard Chartered Bank and Deutsche Bank, challenged ArcelorMittal's bid last month in the Essar Steel insolvency case, as many as 28 operational creditors on Tuesday approached the bankruptcy court claiming settlement of their dues of over INR 3800.000 million.

A clutch of 27 operational creditors, including Sakar Industries Private Ltd, Apex Commodities, Kamaljeet Singh Ahluwalia, Ideal Movers Private Ltd and Arfin India Limited, today filed a joint petition in the bankruptcy court seeking settlement of over INR 3600.000 million of dues.

Orissa Stevedores Ltd on Tuesday filed a separate interlocutory application in the NCLT, Ahmedabad, against resolution professional Satish Kumar Gupta and State Bank of India. The company said in its petition its dues to Essar Steel amounted to INR 200.000 million.

"The present application is filed taking into consideration that the CoC, which consists of financial creditors, has not considered the financial recovery of the operational creditors of Essar Steel India Ltd while considering the settlement proposal and also while considering the resolution plan submitted by ArcelorMittal," Orissa Stevedores said in its application.

Both applications have sought the tribunal's intervention in considering the settlement plan offered by the promoters of Essar Steel.

The resolution plan of ArcelorMittal provides no payment to operational creditors whose outstanding dues are over INR 10.000 million, according to the joint application by the 27 operational creditors.

"We have followed the IBC process in good faith since first submitting our EOI last year. We are confident that the process will be implemented correctly and according to the law, which does not allow for offers outside the process after EOIs (expression of interest) have been submitted," ArcelorMittal spokesperson said on Tuesday.

Representative of Essar Steel when contacted, declined to comment on the matter.

Mint has reviewed copies of both the petitions. The petitioners have prayed before the NCLT seeking full payment of their dues or equitable payment as operational creditors on a par with the financial creditors.

One more application by an operational creditor whose outstanding dues are about INR 2250.000 million is also expected to be placed in the NCLT this week, according to a legal expert in the know of the development.

"In all, the total dues of operational creditors would be about INR 6000.000 million," he added.

The resolution plan by ArcelorMittal envisages upfront payment of INR 420000.000 million to lenders and an additional INR 80000.000 million towards capital expenditure. The total admitted claims of operational creditors totals INR 49950.000 million. ArcelorMittal has offered to settle this for INR 2140.000 million.

According to details available on the website of Essar Steel, these claims of operational creditors are verified by the resolution professional and admitted as dues payable to these creditors.

On 25 October, more than 92% of creditors of Essar Steel voted in favour of handing over the debt-laden company to ArcelorMittal. The resolution professional on 30 October filed ArcelorMittal's plan with the NCLT, Ahmedabad, for approval.

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According to the Insolvency and Bankruptcy Code, secured financial creditors will receive the highest priority, followed by unsecured financial creditors. If any amount is left over, it will accrue to operational creditors.

The operational creditors primarily comprise raw material suppliers like ferro alloys, iron ore and fines, paints, logistics and service providers among others.

The promoters of Essar Steel, the Ruia family, submitted a proposal to the CoC on 25 October agreeing to pay a total of INR 543890.000 million to all creditors.

Essar Steel is an integrated steel producer with an annual production capacity of 10 million tonnes. The facility comprises ore beneficiation, pellet-making, iron-making, steel-making, and downstream facilities, including cold rolling mill and galvanising. Located at Hazira in Gujarat, the facility also includes a power plant and a port that can handle 30 million tonnes of cargo annually.

In the last week of October, Standard Chartered Plc also approached the NCLT as dissenting financial creditor so that it could be heard before the tribunal decides on ArcelorMittal's bid. Essar Steel owes more than ₹3,400 crore to Standard Chartered.

JAPAN'S TOP STEELMAKER TO BUY ESSAR STEEL INDIA

27.10.2018

Japan's top steel manufacturer Nippon Steel & Sumitomo Metal, NSSMC on Friday announced that it has won a joint bid to acquire bankrupt Indian steelmaker Essar Steel India Limited, ESIL.

The company said that the creditors for India's 4th biggest steelmaker declared the Japanese company to be one of two successful bidders. The other is the world's leading steelmaker, ArcelorMittal.

The 2 firms will acquire Essar Steel for some 5.8 billion dollars. The manufacturer is presently under financial rehabilitation.

Nippon Steel & Sumitomo Metal is expected to shoulder about half the purchase price, if the acquisition is officially approved through tribunal examinations.

The Japanese maker says the move would be one of its largest-ever acquisitions of a foreign company.

It describes India as one of the world's most promising steel markets.

Essar Steel manufactures steel products at its blast furnace complex in western India and markets them throughout the country. Nippon Steel & Sumitomo Metal expects the acquisition will help grow its Indian business.

In a statement Nippon Steel & Sumitomo Metal said India is one of the most promising markets in the world with significant growth potential in the medium- and long-term and where domestically produced steel products have a superior position.

In order to further expand and strengthen our global business, NSSMC has been seeking opportunities to engage in integrated steel production in India to steadily capture the growing demand for steel products, which is expected to increase along with the development of infrastructure.

ESIL is one of the major steel companies in India, which has a fully integrated steelworks located in its west coast region. ESIL manufactures and sells steel sheets, plates, and pipes through its extensive domestic sales channels. It also owns pellet plants in east part of India.

NSSMC and AM have established a close cooperative relationship for many years through their global strategic alliance and have been jointly managing three companies in the United States (AM/NS Calvert, I/N Tek, and I/N Kote). NSSMC believes that, by bringing together the strengths of both companies, NSSMC and AM will be able to turn around ESIL to be a competitive steel manufacturer and contribute to further development of Indian steel industry and Indian economy.

ARCELORMITTAL HITS FRESH HURDLE OVER GPI DUES

NOVEMBER 02, 2018

MUMBAI: ArcelorMittal's expected acquisition of Essar Steel could face a further challenge over unpaid dues at GPI Textiles, a company promoted by LN Mittal's brothers Pramod and Vinod Mittal. The Insolvency and Bankruptcy Code (IBC) stipulates that promoters of defaulting companies and persons "connected" to them are barred from participating in bids for stressed assets.

Jalesh Grover, the resolution professional of GPI Textiles, filed an interlocutory application at the Ahmedabad bench of the National Company Law Tribunal (NCLT) that says LN Mittal's company is not eligible to bid for Essar Steel since GPI Textiles has about INR 4850.000 million in unpaid dues. Grover's lawyer said ArcelorMittal's resolution plan should therefore be disqualified under Section 29(A) of IBC. Grover filed the petition against Essar Steel resolution professional Satish Kumar.

"NCLT technically cannot approve Arcelor's bid without hearing the interlocutory application," said Nipun Singhvi, an Ahmedabad-based lawyer representing Grover.

First Hearing on Nov 28

A person close to ArcelorMittal however said that a similar argument, raised by rival contender Numetal, had been dismissed earlier. The bench will take a call on admitting the case on November 28, lawyers said.

The first hearing related to approval of Arcelor-Mittal's resolution plan for Essar Steel will also take place on November 28.

ArcelorMittal and the Essar Steel resolution professional were represented by their lawyers, said a person present in court. No one appeared for the committee of creditors (CoC) on Thursday, he said.

"The company has already said on several occasions that there is absolutely no connection between ArcelorMittal's eligibility and the businesses of Mr Mittal's brothers," a person close to ArcelorMittal told ET. "The fact that the CoC has approved ArcelorMittal's acquisition of Essar Steel and issued a letter of intent demonstrates that ArcelorMittal has done what was required to satisfy the eligibility criteria."

The move raises the prospect of another twist in the Essar Steel resolution process, which kicked off about a year ago. ArcelorMittal had said on October 26 that it had been declared the highest bidder. The Ruias, Essar Steel's erstwhile promoters, then made an unexpected pitch to retain the asset, offering to repay all dues. That matter may be heard by the NCLT bench on Friday. Meanwhile, Standard Chartered Bank has filed a caveat because its dues from an Essar Steel subsidiary were deemed to be unsecured. Apart from that, Deutsche Bank has complained to the Essar Steel resolution professional (RP) because it hadn't been paid money owed by Uttam Galva, in which ArcelorMittal was a promoter.

It may be recalled that ArcelorMittal had to repay the dues of both Uttam Galva and KSS Petron, by virtue of having been a promoter in both, in order to qualify as a bidder for Essar Steel under Section 29(A).

NEW FACTS

An interlocutory application is moved to seek urgent relief or to bring fresh facts to the court's knowledge.

"It is humbly submitted that Shri Pramod Mittal and Vinod Kumar Mittal are real brothers of Shri LN Mittal (who is ultimate shareholder/ promoter of the Arcelor Mittal India Pvt Ltd) and are the promoters as per June 2018 filings at BSE of the company called Gontermann-Piepers (India) Ltd, a company incorporated under the provisions of the Companies Act," said the GPI resolution professional's application.

On October 23, Grover had filed a caveat with the NCLT bench calling the resolution plan submitted by ArcelorMittal as "illegal/incorrect".

The Supreme Court had on October 4 dismissed the contention that ArcelorMittal was liable for the dues of companies associated with LN Mittal's brother, according to the person close to ArcelorMittal cited above. The argument had been made by the Numetal consortium, which was also vying for Essar Steel, the person said. The court had been told that LN Mittal had parted ways with Pramod Mittal as far back as 1994 and therefore cannot be regarded as acting in concert with him.

Numetal had written to the Essar Steel resolution professional about the issue in September, citing GPI Textiles as well as other companies such as Ispat Profiles India, Chhattisgarh Energy and Balasore Alloys, all associated with Pramod and Vinod Mittal, PTI had reported. It had asked whether disqualification of ArcelorMittal on account of defaults by associated companies had been verified by the RP or not.

State Bank of India and Phoenix Asset Reconstruction Co. are among the financial creditors that have claimed about INR 4850.000 million in unpaid dues from GPI Textiles, which is undergoing insolvency proceedings at the Chandigarh bench of the NCLT.

Section 29(A) was introduced to prevent promoters from regaining control of companies that they had led to bankruptcy.

CMT REPORT (Corruption, Money Laundering & Terrorism]

The Public Notice information has been collected from various sources including but not limited to: **The Courts, India Prisons Service, Interpol, etc.**

1] INFORMATION ON DESIGNATED PARTY

No records exist designating subject or any of its beneficial owners, controlling shareholders or senior officers as terrorist or terrorist organization or whom notice had been received that all financial transactions involving their assets have been blocked or convicted, found guilty or against whom a judgement or order had been entered in a proceedings for violating money-laundering, anti-corruption or bribery or international economic or anti-terrorism sanction laws or whose assets were seized, blocked, frozen or ordered forfeited for violation of money laundering or international anti-terrorism laws.

2] Court Declaration :

No records exist to suggest that subject is or was the subject of any formal or informal allegations, prosecutions or other official proceeding for making any prohibited payments or other improper payments to government officials for engaging in prohibited transactions or with designated parties.

3] Asset Declaration :

No records exist to suggest that the property or assets of the subject are derived from criminal conduct or a prohibited transaction.

4] Record on Financial Crime :

Charges or conviction registered against subject: **None**

5] Records on Violation of Anti-Corruption Laws :

Charges or investigation registered against subject: **None**

6] Records on Int'l Anti-Money Laundering Laws/Standards :

Charges or investigation registered against subject: **None**

7] Criminal Records

No available information exist that suggest that subject or any of its principals have been formally charged or convicted by a competent governmental authority for any financial crime or under any formal investigation by a competent government authority for any violation of anti-corruption laws or international anti-money laundering laws or standard.

8] Affiliation with Government :

No record exists to suggest that any director or indirect owners, controlling shareholders, director, officer or employee of the company is a government official or a family member or close business associate of a Government official.

9] Compensation Package :

Our market survey revealed that the amount of compensation sought by the subject is fair and reasonable and comparable to compensation paid to others for similar services.

10] Press Report :

No press reports / filings exists on the subject.

CORPORATE GOVERNANCE

MIRA INFORM as part of its Due Diligence do provide comments on Corporate Governance to identify management and governance. These factors often have been predictive and in some cases have created vulnerabilities to credit deterioration.

Our Governance Assessment focuses principally on the interactions between a company's management, its Board of Directors, Shareholders and other financial stakeholders.

CONTRAVENTION

Subject is not known to have contravened any existing local laws, regulations or policies that prohibit, restrict or otherwise affect the terms and conditions that could be included in the agreement with the subject.

FOREIGN EXCHANGE RATES

| Currency | Unit | INR |
|-----------|------|-----------|
| US Dollar | 1 | INR 70.91 |
| UK Pound | 1 | INR 90.84 |
| Euro | 1 | INR 80.42 |

INFORMATION DETAILS

| | |
|---------------------------|-----|
| Information Gathered by : | SHK |
| Analysis Done by : | PRY |
| Report Prepared by : | NKT |

SCORE FACTORS

| DEMERIT POINTS | | |
|-----------------------------|--------|-----|
| --BANK CHARGES | YES/NO | YES |
| --LITIGATION | YES/NO | YES |
| --OTHER ADVERSE INFORMATION | YES/NO | NO |
| MERIT POINTS | | |
| --SOLE DISTRIBUTORSHIP | YES/NO | NO |
| --EXPORT ACTIVITIES | YES/NO | NO |
| --AFFILIATION | YES/NO | YES |
| --LISTED | YES/NO | NO |
| --OTHER MERIT FACTORS | YES/NO | YES |

RATING EXPLANATIONS

| Credit Rating | Explanation | Rating Comments |
|---------------|------------------|--|
| A++ | Minimum Risk | Business dealings permissible with minimum risk of default |
| A+ | Low Risk | Business dealings permissible with low risk of default |
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |
| B | Medium Risk | Business dealings permissible on a regular monitoring basis |
| C | Medium High Risk | Business dealings permissible preferably on secured basis |
| D | High Risk | Business dealing not recommended or on secured terms only |
| NB | New Business | No recommendation can be done due to business in infancy stage |
| NT | No Trace | No recommendation can be done as the business is not traceable |

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)

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