

## MIRA INFORM REPORT

Report No. :	537154
Report Date :	29.10.2018

### 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)
<b>Legal Form :</b>	A Closely Held Public Limited Liability Company
<b>Line of Business :</b>	Manufacturer and Selling of Hot Rolled Coils/ Cold Rolled Coils, Sheets, Plates and Extraction of Minerals. [Registered activity]
<b>No. of Employees :</b>	Information denied by the management

**RATING & COMMENTS**

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

**MIRA's Rating :**

D

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

<b>Status :</b>	Poor
<b>Payment Behaviour :</b>	Slow and delayed
<b>Litigation :</b>	Exist
<b>Comments :</b>	<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>The company is found under RBI defaulter and 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>

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	<p>The National Company Law Tribunal, Ahmedabad Bench has ordered the commencement of a Corporate Insolvency Resolution Process against Essar Steel India Limited on 02<sup>nd</sup> 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> <p>Note: As per the latest press release, The Supreme Court allowed Arcelor Mittal India Private Limited (AMIPL) and Numetal to bid once more for Essar Steel India Limited (ESIL) if they can clear the outstanding dues in two weeks.</p>
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**NOTES:**

Any query related to this report can be made on e-mail: [infodept@mirainform.com](mailto: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
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**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 for quarter ended 31-March-2005		
Borrowers details		
Borrower name	ESSAR STEEL LIMITED	
Address	ESSAR HOUSE, P.O BOX NO 7945, MAHALAXMI, MUMBAI 400034, MAHARASHTRA	
Name Of Directors Reported by Credit Grantors Filing the Suit:		
Sr. No.	Directors Reported by Credit Institutions	DIN Number
SPECIFIED UNDERTAKING OF UNIT TRUST OF INDIA		
1	JAGDEESH M MEHTA - MANAGING DIRECTOR & CHAIRMAN	
2	P S RUIA	
3	RAVI RUIA	
4	SHASHI RUIA	
List Of Credit Grantors to which ESSAR STEEL LIMITED is a defaulter:		
Names of Credit Institutions	Branch	Amount (INR in million)
SPECIFIED UNDERTAKING OF UNIT TRUST OF INDIA	MUMBAI	5747.300
	<b>Total</b>	<b>5747.300</b>

Suit Filed Accounts - Wilful Defaulters INR 2.500 million and above for quarter ended 31-March-2004		
Borrowers details		
Borrower name	ESSAR STEEL LIMITED	
Address	POST HAZIRA, DIST. SURAT.	
Name of Directors Reported by Credit Grantors Filing the Suit:		
Sr. No.	Directors Reported by Credit Institutions	DIN Number
UNIT TRUST OF INDIA LTD		
1	G.A.NAYAK - NOMINEE	
2	G.GOSWAMI	
3	J.BALAKRISHNAN	
4	JITENDER MEHRA	
5	PRASHANT RUIA	

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6	RAVI RUIA	
7	S.V.VENKATESAN	
8	SANJEEV SHRIYA	
9	SHASHI RUIA	
10	V.G.RAGHAVAN	
11	VIKRAM AMIN	

List Of Credit Grantors to which ESSAR STEEL LIMITED is a defaulter:

Names of Credit Institutions	Branch	Amount (INR in million)
UNIT TRUST OF INDIA LTD	MAIN BRANCH	5335.600
	<b>Total</b>	<b>5335.600</b>

**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 29.10.2018

**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:

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

**INFORMATION DENIED**

**Management Non-Cooperative (91-891-2523213)**

**91-261-2872400 / 91-22-24950606 / 24956660 – Number does not exist**

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**LOCATIONS**

<b>Registered Office/ Plant 1 :</b>	Survey No. 353/354, 27KM, Surat Hazira Road, Hazira, Surat – 394270, Gujarat, India
<b>Tel. No.:</b>	91-261-6682400
<b>Mobile No.:</b>	91-9923201806 (Ms. Tejashree Sathe)
<b>Fax No.:</b>	91-261-2872400 / 6682796 / 6685731
<b>E-Mail :</b>	<a href="mailto:pankajc1@essar.com">pankajc1@essar.com</a> <a href="mailto:tejashree.sathe@essar.co.in">tejashree.sathe@essar.co.in</a>
<b>Website:</b>	<a href="http://www.essarsteel.com">http://www.essarsteel.com</a> <a href="http://www.essar.com">http://www.essar.com</a>
<b>Area :</b>	1000 sq. ft.
<b>Location :</b>	Owned
<b>Locality :</b>	Industrial
<b>Corporate Office :</b>	Essar House, 11, Keshavrao Khadye Marg, Mahalaxmi, Mumbai – 400034, Maharashtra, India
<b>Marketing Office:</b>	No.301, Sidhu Sree Vaishnavi Arcade (Opposite to Care Hospital), Road No 1, Banjara Hills, Hyderabad – 500034, Telangana, India
<b>Marketing &amp; Sales Office :</b>	6 <sup>th</sup> Floor, Tower-2, Equinox Business Park (Peninsula Techno Park) Off Bandra Kurla Complex, LBS Marg, Kurla (West), Mumbai – 400070, Maharashtra, India
<b>Tel. No.:</b>	91-22-67335000
<b>Fax No.:</b>	91-22-67082189
<b>E-Mail :</b>	<a href="mailto:steel@essar.com">steel@essar.com</a>
<b>Plant 2 :</b>	Scindia Road, Near Flyover, Visakhapatnam – 530004, Andhra Pradesh, India
<b>Tel. No.:</b>	91-891-2523213
<b>Fax No.:</b>	91-891-2559383 / 2556907
<b>Factory:</b>	Pune Facility, Gat No.740, Sanaswadi, Pune – 412208, Maharashtra, India
<b>Processing &amp; Distribution Facility Network :</b>	Gat No. 437 and 442, Golechiwadi, Ambi-Nigade Road, MIDC-Talegaon, Pune – 410507, Maharashtra, India
<b>Tel. No.:</b>	91-211-4661401
<b>Regional Head :</b>	Plot No A - 6, Sipcot, Oragadam, Sriperumbudur (TK) Kanchipuram, Chennai – 602112, Tamilnadu, India
<b>Other Plants :</b>	<b>Located at:</b>  <b>Downstream capability hub</b> <ul style="list-style-type: none"> <li>• Pulne, Maharashtra, India</li> </ul> <b>Beneficiation Plant</b> <ul style="list-style-type: none"> <li>• Bailadilla, Chhattisgarh, India</li> <li>• Dabuna, Odisha, India</li> </ul>

	<b>Pellet Plant</b> <ul style="list-style-type: none"> <li>• Visakhapatnam, Andhra Pradesh, India</li> </ul>
<b>Branch Offices:</b>	<ul style="list-style-type: none"> <li>• A-5 Sector-3, Noida, Uttar Pradesh, India</li> <li>• Essar House, 3rd Floor, Esplanade, Chennai – 600108, Tamilnadu, India</li> <li>• Essar House, Opposite Gujarat College Ellisbridge, Ahmedabad – 380006 Gujarat, India  Tel. No: 91-79-6608 6666  Fax No: 91-79-6608 6608</li> </ul> <p><b>Also Located at:</b></p> <ul style="list-style-type: none"> <li>• Mumbai</li> <li>• Hazira</li> <li>• Vadinar</li> <li>• New Delhi</li> <li>• Vishakhapatnam</li> </ul>

**DIRECTORS**

**AS ON 31.03.2018**

<b>Name :</b>	Mr. Dilip Oommen
<b>Designation :</b>	Managing Director
<b>Address :</b>	D-3/4 Nand Niketan Essar Township, Hazira, Surat – 394270, Gujarat, India
<b>Date of Birth/Age :</b>	28.03.1958
<b>Qualification :</b>	Degree in Metallurgical Engineering
<b>PAN No:</b>	AAHPO0679E
<b>Date of Appointment :</b>	17.12.2011
<b>DIN No. :</b>	02285794
<b>Name :</b>	Mr. Rajiv Kumra Bhatnagar
<b>Designation :</b>	Wholetime Director
<b>Address :</b>	C-2/11, Nand Niketan, Essar Township, Hazira, Surat – 394270, Gujarat, India
<b>Date of Appointment :</b>	22.11.2016
<b>DIN No. :</b>	07018252
<b>Name :</b>	Mr. Venkatraman Govind Raghavan
<b>Designation :</b>	Director
<b>Address :</b>	Flat No 171/172, 17th Floor, Kalpataru Residency, Sion Circle, Sion (East), Mumbai – 400022, Maharashtra, India
<b>Date of Birth/Age :</b>	16.07.1945
<b>Qualification :</b>	B.COM, C.A.
<b>PAN No:</b>	ADPPR2424P

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<b>Date of Appointment :</b>	29.10.2003
<b>DIN No.:</b>	00008683
<b>Name :</b>	Mr. Prashant Ruia
<b>Designation :</b>	Director
<b>Address :</b>	Lereve Tower 4300 Dubai Marina, Po Box 293778, Dubai, Na, United Arab Emirates
<b>Date of Birth/Age :</b>	04.06.1969
<b>Qualification :</b>	B.Com
<b>PAN No:</b>	AABPR5283M
<b>Date of Appointment :</b>	27.11.2014
<b>DIN No. :</b>	01187548
<b>Name :</b>	Mr. Sunit Joshi
<b>Designation :</b>	Nominee Director
<b>Address :</b>	Flat No. 4-D, C Building Harbour Heights, Colaba, Mumbai - 400005, Maharashtra, India
<b>Date of Appointment :</b>	22.11.2016
<b>DIN No. :</b>	02962154

**KEY EXECUTIVES**

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

**MAJOR SHAREHOLDERS**

**AS ON 31.03.2016**

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

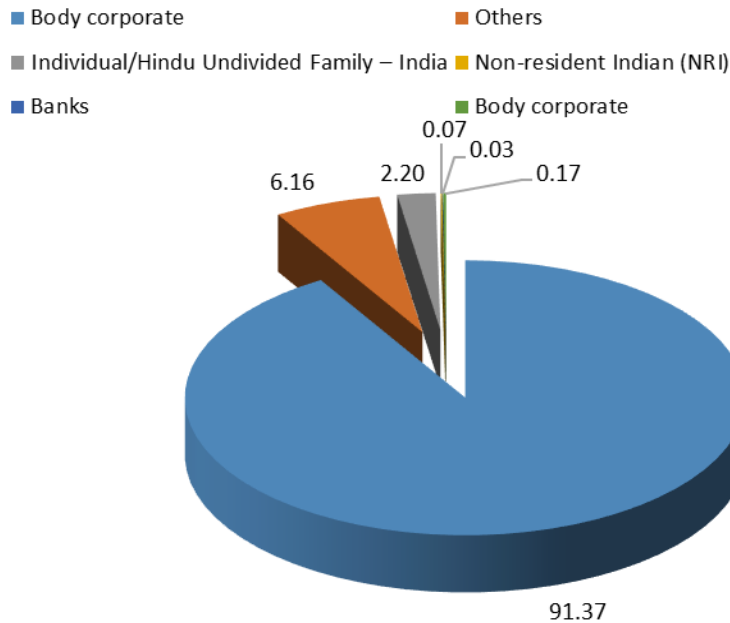
<b>Names of Preference Shares</b>	<b>No. of Shares</b>
IFCI Limited	22116599
Imperial Consultants and Securities Private Limited	16940180

**Equity Share Break up (Percentage of Total Equity)**

**As on: 21.12.2016**

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

### Share holding pattern



### BUSINESS DETAILS

<b>Line of Business :</b>	Manufacturer and Selling of Hot Rolled Coils/ Cold Rolled Coils, Sheets, Plates and Extraction of Minerals. [Registered activity]	
<b>Products :</b>	<b>ITC Code No.</b>	<b>Product Descriptions</b>
	99612410	Manufacturing of hot rolled coils/ cold rolled coils/sheets/plates
<b>Brand Names :</b>	Not Available	
<b>Agencies Held :</b>	Not Available	
<b>Exports :</b>	Not Divulged	
<b>Imports :</b>	Not Divulged	
<b>Terms :</b>	Not Divulged	

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**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**

<b>Suppliers :</b>	<b>Reference :</b>	Not Divulged
	<b>Name of the Person :</b>	--
	<b>Contact No.:</b>	--
	<b>Since How Long Known :</b>	--
	<b>Maximum Limit Dealt :</b>	--
	<b>Experience :</b>	--
	<b>Remark :</b>	--
<b>Customers :</b>	<b>Reference :</b>	Not Divulged
	<b>Name of the Person :</b>	--
	<b>Contact No.:</b>	--
	<b>Since How Long Known :</b>	--
	<b>Maximum Limit Dealt :</b>	--
	<b>Experience :</b>	--
	<b>Remark :</b>	--
<b>No. of Employees :</b>	Information denied by the management	
<b>Bankers :</b>	<b>Banker Name :</b>	IDBI Bank Limited
	<b>Branch :</b>	IDBI Tower, World Trade Complex, Cuffe Parade, Mumbai – 400005, Maharashtra, India
	<b>Person Name (With Designation) :</b>	--
	<b>Contact Number :</b>	--
	<b>Name of Account Holder :</b>	--
	<b>Account Number :</b>	--
	<b>Account Since (Date/Year of Account Opening) :</b>	--
	<b>Average Balance Maintained :</b>	--
	<b>Credit Facilities Enjoyed (CC/OD/Term Loan) :</b>	--

	<b>Account Operation :</b>	--
	<b>Remark :</b>	--
	<ul style="list-style-type: none"> <li>• Yes Bank Limited, 9<sup>th</sup> Floor, Nehru Centre, Discovery of India, Dr. Annie Besant Road, Worli, Mumbai – 400018, Maharashtra, India</li> <li>• Indian Overseas Bank, 229, Bhakhtawar, Ground Floor, Nariman Point, Mumbai – 400021, Maharashtra, India</li> </ul>	
<b>Facilities :</b>	<b>SECURED LOANS</b>	
	<b>LONG TERM BORROWINGS</b>	
	Non-Convertible Debentures	2625.000
	<b>Term Loans</b>	
	--From Banks	183093.000
	--From Others	13495.300
	Buyers Credit for Capital Expenditure	0.000
	<b>SHORT TERM BORROWINGS</b>	
	Rupee term loans from banks	1000.000
	Working capital loans from banks	54469.300
	Other loans and advances, others	5150.500
	<b>Total</b>	<b>259833.100</b>
		<b>31.03.2015</b>
		<b>INR In Million</b>
		<b>31.03.2015</b>
		<b>INR In Million</b>
		3120.000
		194458.800
		14243.400
		511.200
		1000.000
		20260.200
		10841.600
		244435.200

<b>Financial Institutions :</b>	<ul style="list-style-type: none"> <li>• SBICAP Trustee Company Limited, 202 Maker Tower E, Cuffe Parade, Mumbai – 400005, Maharashtra, India</li> <li>• Axis Trustee Services Limited, Axis House, 2<sup>nd</sup> Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400025, Maharashtra, India</li> </ul>
<b>Auditors :</b>	
<b>Name :</b>	M M Chaturvedi and Company Chartered Accountants
<b>Address :</b>	24, Atlanta Nariman Point Mumbai – 400021, Maharashtra, India
<b>PAN No.:</b>	AABFD7919A
<b>Memberships :</b>	Not Divulged
<b>Collaborators :</b>	Not Divulged
<b>Holding Company (As on 31.03.2016) :</b>	<ul style="list-style-type: none"> <li>• Essar Steel Asia Holdings Limited (FKA Essar Resources Mauritius Limited) Immediate Holding Company- (ESAHL)</li> <li>• Essar Steel Mauritius Limited- Holding Company of Essar Steel Asia Holdings Limited - (ESML)</li> </ul>

	<ul style="list-style-type: none"> <li>Essar Global Fund Limited (FKA Essar Global Limited), Cayman Islands-Holding Company of Essar Steel Mauritius Limited (EGFL)</li> </ul>
<b>Subsidiary company (As on 31.03.2016) :</b>	<ul style="list-style-type: none"> <li>Essar Steel Middle East (ESMEF)</li> <li>Essar Steel Trading FZE (ESTF)</li> <li>Trinity Coal Marketing LLC (EMA)</li> <li>Odisha Slurry Pipeline Infrastructure Limited (OSPIL) (U60200OR2014PLC018639)</li> <li>Hazira Coke Limited (U23100GJ2014PLC078242)</li> <li>Banner Coal Terminal LLC</li> <li>RMG INC Trinity RMG Holdings LLC</li> <li>Frasure Creek Mining LLC</li> <li>Essar Mineral Cooperatief U.A.</li> <li>Essar Minerals Canada Limited</li> <li>Trinity Coal Corporation</li> <li>Hughes Creek terminal LLC</li> <li>Falcon Resources LLC</li> <li>Prater Branch Resources LLC</li> <li>Paradeep Steel Company Limited (PSCL) (U27100MH2011PLC217214)</li> <li>Essar Steel Offshore Limited (ESOSL)</li> <li>Essar Minerals Limited (FKA Essar Mining Limited)</li> <li>New Trinity Holdings LLC (NTHL)</li> <li>New Resources Inc (NRI)</li> <li>Essar Minerals INC</li> <li>Trinity Parent Corporation</li> <li>Trinity Coal Partners LLC</li> <li>New Trinity Coal INC</li> <li>Bear Fork Resources LLC</li> <li>Deep Water Resources LLC</li> <li>Levisa Fork Resources LLC</li> <li>North Springs Resources LLC</li> <li>Little Elk Mining Company LLC</li> <li>Essar Minerals Limited</li> </ul>
<b>Fellow Subsidiary (As on 31.03.2016) :</b>	<ul style="list-style-type: none"> <li>Aegis Limited (U99999MH1992PLC064767)</li> <li>Essar Steel Logistics Limited (U60220GJ2013PLC074244)</li> <li>Essar Projects (India) Limited (U99999MH1989PLC053280)</li> <li>Essar Shipping Limited (L61200GJ2010PLC060285)</li> <li>Essar Bulk Terminal Paradip Limited (U63000GJ2009PLC058496)</li> <li>Essar Power Gujarat Limited (U74900GJ2007PLC066273)</li> <li>Essar Power M P Limited (U40100DL2005PLC201961)</li> <li>Vadinar Properties Limited (U70100MH2006PLC160616)</li> <li>Essar Power limited (U40100GJ1991PLC064824)</li> <li>Essar Power (jharkhand ) Limited (U31101DL2005PLC211274)</li> <li>Essar Power Transmission Company Limited (U99999DL2005PLC208864)</li> <li>Essar Pellets Marketing Limited (U27106MH2007PLC172940)</li> <li>Essar Oil Limited (L11100GJ1989PLC032116)</li> </ul>

	<ul style="list-style-type: none"> <li>• Essar Electric Power Development Corporation Limited (U40100MH1997PLC110104)</li> <li>• Vadinar Power Company Limited (U40100GJ1997PLC033108)</li> <li>• Essar Offshore Subsea Limited (U11101MH2008PLC179089)</li> <li>• Essar Refinery Projects Limited (U45200GJ2010PLC062785)</li> <li>• Essar Bulk Terminal (Salaya) Limited (U63032MH2007PLC176225)</li> <li>• Arkay Logistics Limited (U63000MH2004PLC149214)</li> <li>• Essar Ports Limited (L85110GJ1975PLC054824)</li> <li>• Vadinar Oil Terminal Limited (U35111GJ1993FLC053434)</li> <li>• Equinox Business Parks Private Limited (U70102MH2007PTC172950)</li> <li>• Essar Mineral Resources Limited (U13100GJ2006PLC047506)</li> <li>• Essar Global Services FZE</li> <li>• Essar Steel Algoma Inc.</li> <li>• PT Essar Indonesia</li> <li>• Essar Energy Limited</li> <li>• Essar Oil (UK) Limited</li> <li>• Brahmani Thermal Power Private Limited (U40109DL2005PTC231302)</li> <li>• Essar Constructions Overseas Limited</li> <li>• Essar Oilfield Services India Limited (U93090MH2006PLC163779)</li> <li>• Vadinar Ports and Terminals Limited (U63023GJ2009FLC056684)</li> <li>• Essar Telecom Kenya Limited</li> <li>• AGC Networks Limited (L32200MH1986PLC040652)</li> <li>• Essar Africa Holdings Limited</li> <li>• Peak Trading Overseas Limited</li> <li>• Tirunelveli Wind Farms Limited (U01403MH2007PLC166813)</li> <li>• Essar Steel Limited</li> <li>• Essar Shipping and Logistics Limited</li> </ul>
<b>Associate Company (As on 31.03.2016) :</b>	<ul style="list-style-type: none"> <li>• Bhandar Power Limited (U31101MP1995PLC009646)</li> <li>• Essar Bulk Terminal Limited (U13100GJ2004PLC043477)</li> <li>• Essar Power (Orissa) Limited (U31101GJ2005PLC081701)</li> <li>• Essar Power Hazira Limited (U40300GJ2006PLC063146)</li> <li>• Essar Steel Processing FZCO</li> <li>• Essar Steel Chhattisgarh Limited (U27100GJ2005FLC046274)</li> <li>• Essar Power M P Limited (U40100DL2005PLC201961)</li> </ul>

**CAPITAL STRUCTURE**

**AFTER 21.12.2016**

**Authorised Capital : INR 72750.000 Million**

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

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AS ON 31.03.2016

**Authorised Capital :**

No. of Shares	Type	Value	Amount
7175000000	Equity Shares	INR 10/- each	INR 71750.000 Million
1000000000	Preference Shares	INR 10/- each	INR 1000.000 Million
	<b>Total</b>		<b>INR 72750.000 Million</b>

**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
	<b>Total</b>		<b>INR 31532.300 Million</b>

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**FINANCIAL DATA**  
*[all figures are in INR Million]*

**ABRIDGED BALANCE SHEET (STANDALONE)**

<b>SOURCES OF FUNDS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
<b>I. EQUITY AND LIABILITIES</b>			
(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
<b>Total Shareholders' Funds (1) + (2)</b>	<b>86166.000</b>	<b>141126.600</b>	<b>84840.000</b>
(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
<b>Total Non-current Liabilities (3)</b>	<b>203143.900</b>	<b>305815.800</b>	<b>341670.000</b>
(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
<b>Total Current Liabilities (4)</b>	<b>337685.700</b>	<b>190880.500</b>	<b>127571.600</b>
<b>TOTAL</b>	<b>626995.600</b>	<b>637822.900</b>	<b>554081.600</b>
<b>II. ASSETS</b>			
(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
<b>Total Non-Current Assets</b>	<b>536157.200</b>	<b>517177.900</b>	<b>469869.900</b>

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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
<b>Total Current Assets</b>	<b>90838.400</b>	<b>120645.000</b>	<b>84211.700</b>
<b>TOTAL</b>	<b>626995.600</b>	<b>637822.900</b>	<b>554081.600</b>

**PROFIT & LOSS ACCOUNT (STANDALONE)**

	PARTICULARS	31.03.2016	31.03.2015	31.03.2014
	<b>SALES</b>			
	Total Revenue from operations	136544.100	139335.800	133268.800
	Other Income	7241.100	4357.700	10216.700
	<b>TOTAL</b>	<b>143785.200</b>	<b>143693.500</b>	<b>143485.500</b>
<b>Less</b>	<b>EXPENSES</b>			
	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
	<b>TOTAL</b>	<b>168911.200</b>	<b>86876.300</b>	<b>114192.100</b>
	<b>PROFIT/ (LOSS) BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION</b>	<b>(25126.000)</b>	<b>56817.200</b>	<b>29293.400</b>
<b>Less</b>	<b>FINANCIAL EXPENSES</b>	<b>44676.300</b>	<b>38650.100</b>	<b>41767.000</b>
	<b>PROFIT / (LOSS) BEFORE TAX, DEPRECIATION AND AMORTISATION</b>	<b>(69802.300)</b>	<b>18167.100</b>	<b>(12473.600)</b>
<b>Less</b>	<b>DEPRECIATION/ AMORTISATION</b>	<b>17356.900</b>	<b>8077.500</b>	<b>10673.800</b>
	<b>PROFIT/ (LOSS) BEFORE TAX</b>	<b>(87159.200)</b>	<b>10089.600</b>	<b>(23147.400)</b>
<b>Less</b>	<b>TAX</b>	<b>(29157.800)</b>	<b>3609.100</b>	<b>(7176.000)</b>
	<b>PROFIT/ (LOSS) AFTER TAX</b>	<b>(58001.400)</b>	<b>6480.500</b>	<b>(15971.400)</b>

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<b>Add</b>	<b>PREVIOUS YEARS' BALANCE BROUGHT FORWARD</b>	<b>(31502.900)</b>	<b>(39252.800)</b>	<b>(23281.400)</b>
<b>Add</b>	<b>Balance value of assets transfer from Assets as per</b>	<b>0.000</b>	<b>(346.000)</b>	<b>0.000</b>
<b>Less</b>	<b>APPROPRIATIONS</b>			
	Transfer to General Reserve	(1678.200)	(1615.400)	0.000
	<b>Total</b>	<b>(1678.200)</b>	<b>(1615.400)</b>	<b>0.000</b>
	<b>Balance Carried to the B/S</b>	<b>(87826.100)</b>	<b>(31502.900)</b>	<b>(39252.800)</b>
	<b>EARNINGS IN FOREIGN CURRENCY</b>			
	F.O.B. Value of Exports	14579.200	19744.900	39391.900
	Earnings on interest	1182.800	1493.400	2755.200
	<b>TOTAL EARNINGS</b>	<b>15762.000</b>	<b>21238.300</b>	<b>42147.100</b>
	<b>IMPORTS</b>			
	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
	<b>TOTAL IMPORTS</b>	<b>39637.600</b>	<b>31108.500</b>	<b>22997.900</b>
	<b>Earnings / (Loss) Per Share (INR)</b>	<b>(18.67)</b>	<b>2.26</b>	<b>(5.70)</b>

**CURRENT MATURITIES OF LONG TERM DEBT DETAILS**

<b>Particulars</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
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**

<b>PARTICULARS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
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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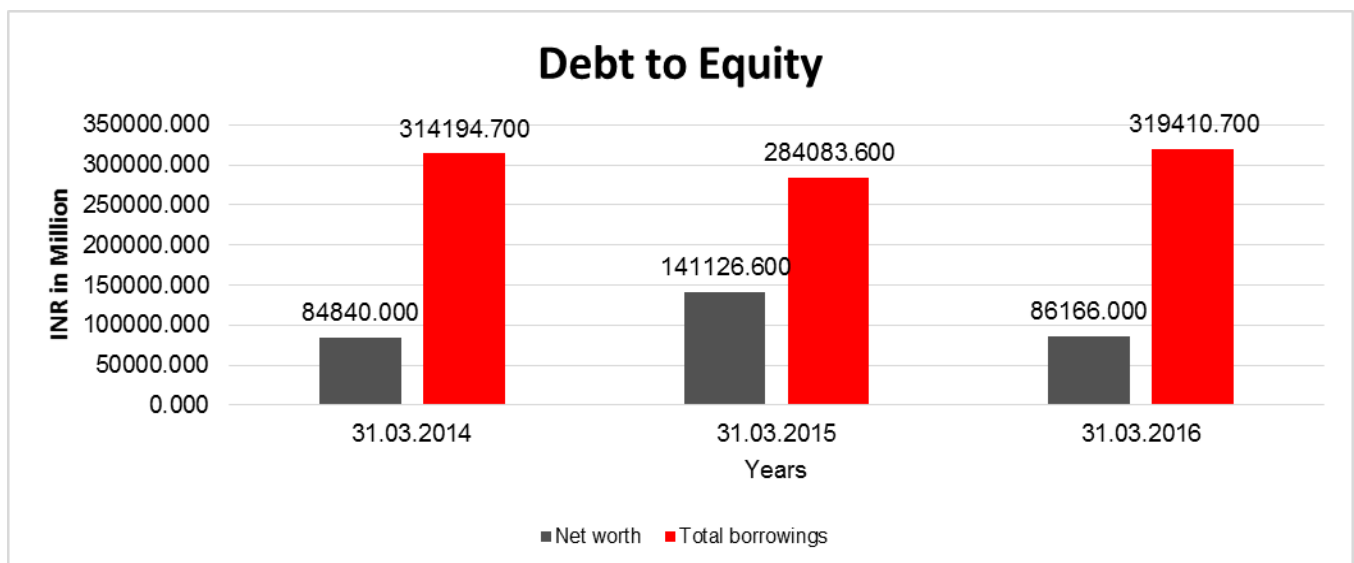
G-Score Ratio Financial (Networth / Total Assets)	0.14	0.22	0.15
G-Score Ratio Debt (Debts / Equity Capital)	10.13	9.01	10.95
G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities)	0.27	0.63	0.66

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**

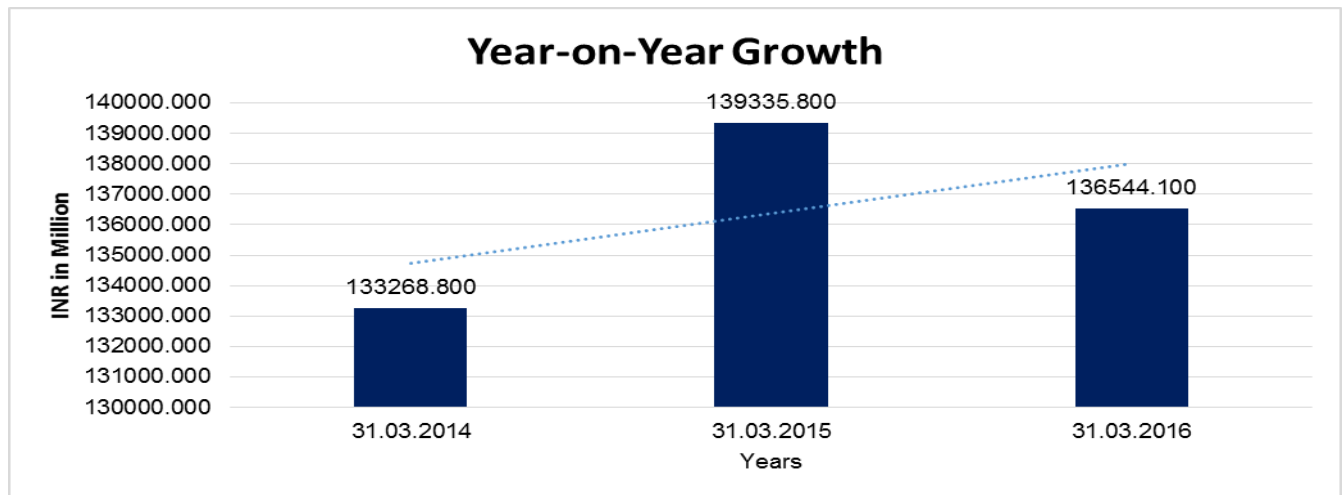
Particular	31.03.2014 (INR In Million)	31.03.2015 (INR In Million)	31.03.2016 (INR In Million)
Share Capital	28692.200	31532.300	31532.300
Reserves & Surplus	56147.800	109594.300	54633.700
<b>Net worth</b>	<b>84840.000</b>	<b>141126.600</b>	<b>86166.000</b>
Long-term borrowings	284967.300	224769.300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



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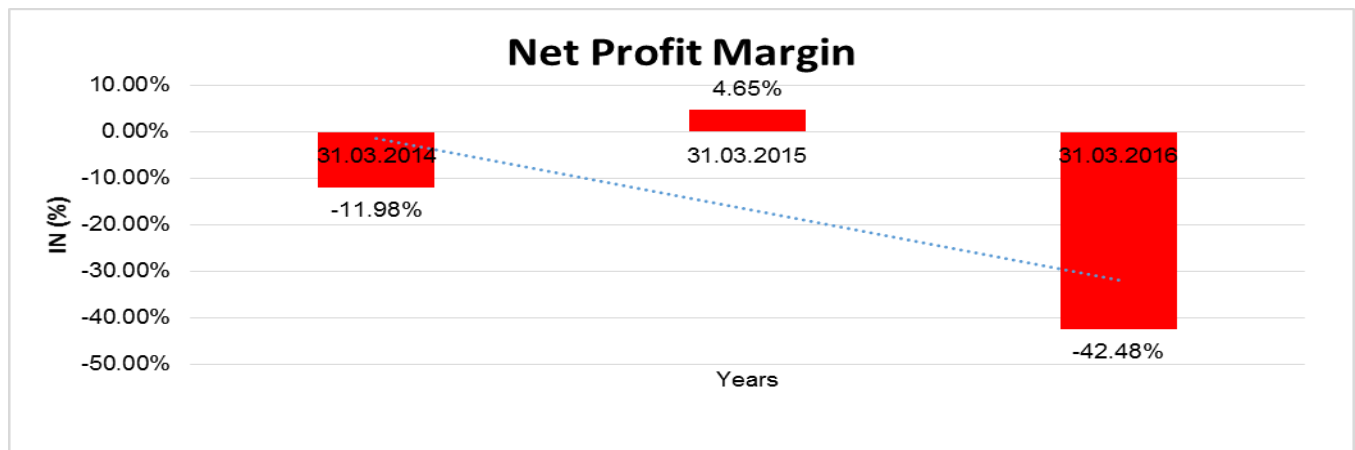
**YEAR-ON-YEAR GROWTH**

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
		<b>4.552</b>	<b>(2.004)</b>



**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)
	<b>(11.98 %)</b>	<b>4.65 %</b>	<b>(42.48 %)</b>



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**ABRIDGED BALANCE SHEET (CONSOLIDATED)**

<b>SOURCES OF FUNDS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b>I. EQUITY AND LIABILITIES</b>		
(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
<b>Total Shareholders' Funds (1) + (2)</b>	<b>46169.900</b>	<b>103060.300</b>
(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
<b>Total Non-current Liabilities (3)</b>	<b>215979.700</b>	<b>353990.000</b>
(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
<b>Total Current Liabilities (4)</b>	<b>387166.200</b>	<b>218958.600</b>
<b>TOTAL</b>	<b>649315.800</b>	<b>676008.900</b>
<b>II. ASSETS</b>		
(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
<b>Total Non-Current Assets</b>	<b>568253.100</b>	<b>541794.000</b>
(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
<b>Total Current Assets</b>	<b>81062.700</b>	<b>134214.900</b>
<b>TOTAL</b>	<b>649315.800</b>	<b>676008.900</b>

**PROFIT & LOSS ACCOUNT (CONSOLIDATED)**

	<b>PARTICULARS</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
	<b>SALES</b>		
	Total Revenue from operations	143809.000	146927.300
	Other Income	11772.100	7868.000
	<b>TOTAL</b>	<b>155581.100</b>	<b>154795.300</b>
<b>Less</b>	<b>EXPENSES</b>		
	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)
	<b>TOTAL</b>	<b>176512.700</b>	<b>94746.700</b>
	<b>PROFIT/ (LOSS) BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION</b>	<b>(20931.600)</b>	<b>60048.600</b>
<b>Less</b>	<b>FINANCIAL EXPENSES</b>	<b>47503.600</b>	<b>42572.900</b>
	<b>PROFIT / (LOSS) BEFORE TAX, DEPRECIATION AND AMORTISATION</b>	<b>(68435.200)</b>	<b>17475.700</b>
<b>Less</b>	<b>DEPRECIATION/ AMORTISATION</b>	<b>18466.600</b>	<b>9115.700</b>
	<b>PROFIT/ (LOSS) BEFORE TAX</b>	<b>(86901.800)</b>	<b>8360.000</b>
<b>Less</b>	<b>TAX</b>	<b>(29156.500)</b>	<b>3609.100</b>
	<b>PROFIT/ (LOSS) AFTER TAX</b>	<b>(57745.300)</b>	<b>4750.900</b>
	<b>Earnings / (Loss) Per Share (INR)</b>	<b>(18.66)</b>	<b>1.62</b>

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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	No
8	Designation of contact person	No
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
<b>LONG TERM BORROWINGS</b>		
<b>Dollar / Rupee Notes</b>		
--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
<b>SHORT TERM BORROWINGS</b>		
Intercorporate deposits	32146.400	14712.000
<b>Total</b>	<b>35046.800</b>	<b>27147.900</b>

**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 ECUFFE PARADEMUMBA IMH400005IN
3	C78856 945	105645 20	SBICAP TRUSTEE COMPANY LIMITED	18/03/2015	02/01/2016	-	1143800000.0	202 MAK ER TOWER ECUFFE PARADEMUMBA IMH400005IN
4	C78729 993	105512 58	SBICAP TRUSTEE COMPANY LIMITED	20/02/2015	02/01/2016	-	9348600000.0	202 MAKER TOWER ECUFFE PARADEMUMBA IMH400005IN
5	C79074 530	105449 87	SBICAP TRUSTEE COMPANY LIMITED	21/01/2015	02/01/2016	-	3310400000.0	202 MAKER TOWER ECUFFE PARADEMUMBA IMH400005IN
6	C78723 392	105449 82	SBICAP TRUSTEE COMPANY LIMITED	12/01/2015	02/01/2016	-	22537629642.0	202 MAKER TOWER ECUFFE PARADEMUMBA IMH400005IN

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7	C78042 603	105387 36	SBICAP TRUSTEE COMPANY LIMITED	23/12/2 014	02/01/2 016	-	11166760000.0	202 MAKER TOWER ECUFFE PARADEMUMBA IMH400005IN
8	C78249 844	105381 54	SBICAP TRUSTEE COMPANY LIMITED	18/12/2 014	02/01/2 016	-	1054744600.0	202 MAKER TOWER ECUFFE PARADEMUMBA IMH400005IN
9	C78130 648	105335 86	SBICAP TRUSTEE COMPANY LIMITED	26/11/2 014	02/01/2 016	-	1792751000.0	MAKER TOWER ECUFFE PARADEMUMBA IMH400005IN
10	C78081 692	105239 06	SBICAP TRUSTEE COMPANY LIMITED	27/09/2 014	02/01/2 016	-	3000000000.0	202 MAKER TOWER ECUFFE PARADEMUMBA IMH400005IN

**CONTINGENT LIABILITIES:**

<b>PARTICULARS</b>	<b>31.03.2016 INR in Million</b>
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 demand1	6090.100
Wheeling Charges demanded by GETCO2	3930.100
Freight Claim by South East Railway	1005.300
Disputed Differential Electricity Duty	493.900
Electricity Charges by DGVCL3	1925.800
Disputed Cross Subsidy4	3272.800
Others	257.800

**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

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- 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.

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## **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 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
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.

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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.

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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. ArcelorMittal 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."

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## **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.

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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.

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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.

**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 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 73.26
UK Pound	1	INR 95.05
Euro	1	INR 83.99

**INFORMATION DETAILS**

Information Gathered by :	JRL
Analysis Done by :	VVK
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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