

MIRA INFORM REPORT

Report No. :	530860
Report Date :	24.09.2018

IDENTIFICATION DETAILS

Name :	ELECTROSTEEL STEELS LIMITED (w.e.f. 05.05.2010)
Formerly Known As :	ELECTROSTEEL INTEGRATED LIMITED
Registered Office :	801, Uma Shanti Apartments, Kanke Road, Ranchi – 834008, Jharkhand
Tel. No.:	91-651-2285636
Country :	India
Financials (as on) :	31.03.2018
Date of Incorporation :	20.12.2006
CIN No.: [Company Identification No.]	L27310JH2006PLC012663
Capital Investment / Paid-up Capital :	INR 24092.350 Million
PAN No.: [Permanent Account No.]	AABCE6875H
GSTN : [Goods & Service Tax Registration No.]	03AABCE6875H1ZM (Punjab) 19AABCE6875H2Z8 / 19AABCE6875H1Z9 (West Bengal) 07AABCE6875H1ZE (Delhi) 06AABCE6875H1ZG (Haryana) 18AABCE6875H1ZB (Assam) 20AABCE6875H1ZQ (Jharkhand) 27AABCE6875H1ZC (Maharashtra) 09AABCE6875H1ZA (Uttar Pradesh)
Legal Form :	A Public Limited Liability Company. The Company's Shares are Listed on the Stock Exchanges.
Line of Business :	Subject is engaged in the manufacture and supply of Wire Rods, TMT Bars, Ductile Iron (DI) Pipes, Billets and also deals in Pig Iron and Iron and Steel Scrap products generated while manufacturing these products. It also produces Metallurgical Coke, Sinter and Power for captive consumption. (Registered activity)

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 2

No. of Employees :	2245 (Approximately)
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RATING & COMMENTS (Mira Inform has adopted New Rating mechanism w.e.f. 23 rd January 2017)

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

Status :	Under Insolvency Process
Payment Behaviour :	Slow and delayed
Litigation :	Exists
Comments :	<p>Subject was incorporated in the year 2006 and it is a seller of TMT bars, billets, ductile iron pipes, pig iron and wiser rods.</p> <p>As per financials of March 2018, the company has registered decent growth in its revenue but has reported losses.</p> <p>Rating takes into consideration the company's continuous losses from its operations which has led to erosion of net worth and weak financial risk profile.</p> <p>Rating further constrained on account of on-going delays in debt servicing and ductile iron project amidst deteriorating financial position of the company.</p> <p>Further, the company has been found under RBI defaulter's List, the name of Credit grantor is ICICI Bank Limited and the amount charges is INR 495.554 million as on 30.06.2018.</p> <p>The National Company Law Tribunal has ordered the commencement of corporate insolvency resolution process against the company on 21st July 2017.</p> <p>As per unaudited quarterly financials of June 2018, the company has achieved a revenue of INR 11,490.31 Million from its operations but has reported huge losses.</p> <p>Payment seems to be slow and delayed.</p> <p>In view of aforesaid, the company can be considered for business dealings at 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.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
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 Bank Facilities D (Issuser Not Cooperating)
Rating Explanation	Lowest credit quality and very low prospects of recovery.
Date	19.02.2018

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 for quarter ended 30.06.2018

Borrowers' Name :	ELECTROSTEEL STEELS LIMITED
Address :	801, UMA SHANTI APARTMENTS, KANKE ROAD, RANCHI – 834008, JHARKHAND, INDIA
Name of Individual :	<ul style="list-style-type: none"> • Jayantika Ganguly - 07667499 • Jinendra Kumar Jain – 00737352 • Lalit Kumar Singh - 00893144 • Naresh Pachisia - 00233768 • Rama Shankar Singh - 02093276 • Umang Kejriwal - 00065173
Name of Credit Grantors / Bank & Branch:	ICICI Bank Limited, Kolkata
Amount (Rs. In Millions) :	INR 495.554 Million

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EPF (Employee Provident Fund) DEFAULTERS' LIST STATUS

Subject's name has been found enlisted as a defaulter in the publicly available EPF (Employee Provident Fund) Defaulters' list as of 31.03.2018.

Name :	Entity	Competent Authority	Regulatory Charges	Regulatory Action / Date of Order
Name :	ELECTROSTEEL STEELS LIMITED	SEBI	DID NOT MAKE DISCLOSURE IN RHP REGARDING REJECTION OF PROPOSAL OF FOREST DIVERSION OF ITS IRON ORE MINE BY MINISTRY OF ENVIRONMENT AND FOREST VIOLATING REGULATION 2009 IN MATTER OF IPO OF ELECTROSTEEL CASTING LIMITED	IMPOSED PENALTY INR 10.000 Million 31-MAR-2016
Old Name :	ELECTROSTEEL INTEGRATED LIMITED			
PAN No :	AABCE6875H			

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 24.09.2018

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 :	21.07.2017
Name of Company :	Electrosteel Steels Limited
Name of Applicant :	Dhaivat Anjaria
Name of Insolvency Professional :	PricewaterhouseCoopers (PWC)
Address of Insolvency Professional :	252, Veer Savarkar marg, Shivaji park, Dadar, Mumbai - 400028
Reason for Listing :	Corporate Insolvency Resolution Process

INFORMATION DENIED

MANAGEMENT NON-COOPERATIVE – Tel. No.: 91-33-71034400

Tel. No.91-657-2285636 (Continuously ringing)

LOCATIONS

Registered Office : 801, Uma Shanti Apartments, Kanke Road, Ranchi – 834008, Jharkhand, India

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 5

Tel. No.:	91-651-2285636
Fax No.:	91-651-2285636
E-Mail :	eil.investors@electrosteel.com binayak_dash@electrosteel.com binayakumar_dash@vedanta.co.in
Website :	www.electrosteelsteels.com
Location :	Owned
Locality :	Industrial
Head Office/ Corporate Office/ Marketing Office :	G K Tower, 2 nd and 3 rd Floor, 19, Camac Street, Kolkata – 700017, West Bengal, India
Tel. No.:	91-33-71034400
Fax No.:	91-33-22902882
Factory/ Project Site :	Village Siyaljori, P.O. Jogidih, P S Chandankyari, Bokaro – 828303, Jharkhand, India
Branch Offices :	<ul style="list-style-type: none"> ➤ Office No.-2B, Puja Apartment, Wing-A, 2nd Floor, New Dak Bunglow Road, Patna – 800001, Bihar, India ➤ Lohanchal Colony, Plot No.10, Near Sector 12-F, Bokaro Steel City, Jharkhand, India ➤ Flat F-3, House No.11, House of JN Sarm, Udaychal Path, Christian Basti, Behind Christian Basti Petrol Pump, Guwahati – 781005, Assam, India ➤ C-101, Palaspally, 1st Floor, Bhubaneswar – 751020, Orissa, India ➤ 19 Camac Street, Kolkata, West Bengal, India ➤ B-47, Shiv Mahal, Connaught Place, New Delhi – 110001, India ➤ 312, 314, 3rd Floor, DLF Tower – B, Jasola, New Delhi – 110025, India

DIRECTORS

As on 31.03.2018

Name :	Ms. Rashmi Mohanty
Designation :	Managing Director
Address :	401- B Hamilton Court DLF, Phase IV, Gurugram – 122002, Haryana, India
Date of Appointment :	04.06.2018
DIN No.:	07072541
Name :	Mr. Naveen Kumar Singhal
Designation :	Director
Address :	Near H.Z.L, Office, D-2 Zinc Park, Moti Magri Scheme, Udaipur - 313004,

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 6

	Rajasthan, India
Date of Appointment :	04.06.2018
DIN No.:	02642057
Name :	Mr. Mahendra Singh Mehta
Designation :	Additional Director
Address :	1701,Raheja Excelsior, Pandit Madan Mohan Malviya Marg, Near Sobo Mall, Taredo, Tulsiwadi, Mumbai – 400034, Maharashtra, India
Date of Appointment :	21.06.2018
DIN No.:	00019566
Name :	Mr. Prasun Kumar Mukherjee
Designation :	Director
Address :	Flat No. 301 Brindavan, Vs Dempo Marg Tonca Caranzalem Caranzalem 403002 Ga In
Date of Appointment :	04.06.2018
DIN No.:	00015999

KEY EXECUTIVES

Name :	Mr. Jalaj Kumar Malpani
Designation :	Chief Financial Officer
Address :	Hindusthan National Glass and IND Limited, Flat No- E4 Rishra, Ps- Srirampur, Po- Prabhasnagar, Kolkata – 712249, West Bengal, India
Date of Appointment :	29.08.2018
PAN No.:	ACNPM9001E
Name :	Mr. Binaya Kumar Dash
Designation :	Company Secretary
Address :	HIG-W-7, Niva Park, Phase-2, Brahmapur, Kolkata – 700096, West Bengal, India
Date of Appointment :	14.02.2017
PAN No.:	AGVPD5134B
Name :	Mr. Sunil Harbans Lal Katial
Designation :	Chief Executive Officer
Address :	1091. Park Royal Apartment, Plot No 10A, Sector-9, Dwarka, New Delhi – 110077, India
Date of Appointment :	04.07.2016
PAN No.:	ACRPK2195B

MAJOR SHAREHOLDERS / SHAREHOLDING PATTERN

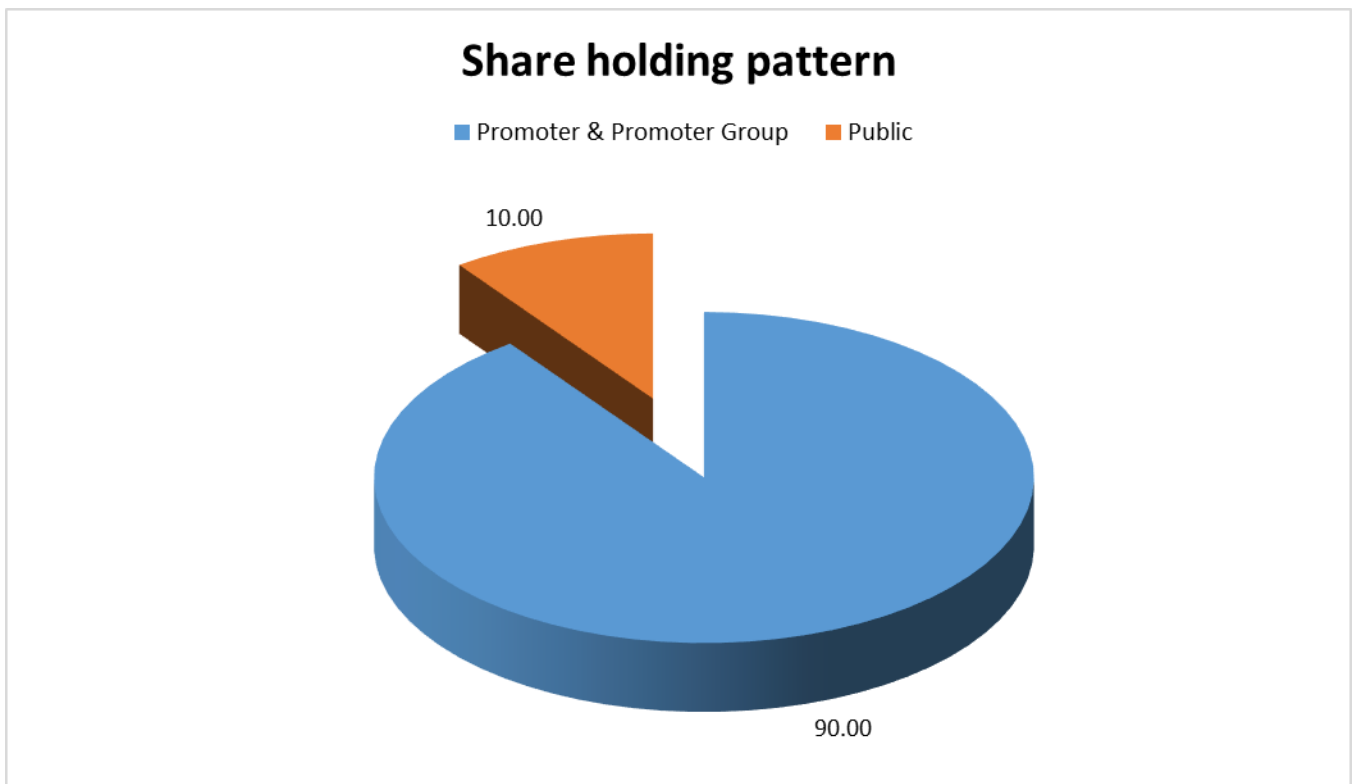
As on 30.06.2018

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 7

Category of shareholder	Total no. shares held	Shareholding as a % of total no. of shares
Promoter & Promoter Group	1765506078	90.00
Public	196167342	10.00
Grand Total	1961673420	100.00



STATEMENT SHOWING SHAREHOLDING PATTERN OF THE PROMOTER AND PROMOTER GROUP

Category of shareholder	Total nos. shares held	Shareholding as a % of total no. of shares
A1) Indian		0.00
Any Other (specify)	1765506078	90.00
VEDANTA STAR LIMITED	1765506078	90.00
Sub Total A1	1765506078	90.00
A2) Foreign		0.00
A=A1+A2	1765506078	90.00

STATEMENT SHOWING SHAREHOLDING PATTERN OF THE PUBLIC SHAREHOLDER

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 8

Category & Name of the Shareholders	Total no. shares held	Shareholding % calculated as per SCRR 1957 As a % of (A+B+C2)
B1) Institutions		0.00
Foreign Portfolio Investors	20000	0.00
Financial Institutions/ Banks	136554084	6.96
STATE BANK OF INDIA	54323584	2.77
Any Other (specify)	3252585	0.17
Overseas Corporate Bodies	1503748	0.08
FOREIGN CORPORATE BODIES	1748837	0.09
Sub Total B1	139826669	7.13
B2) Central Government/ State Government(s)/ President of India		0.00
B3) Non-Institutions		0.00
Individual share capital upto INR 0.200 Million	14461226	0.74
Individual share capital in excess of INR 0.200 Million	1857576	0.09
NBFCs registered with RBI	1730	0.00
Any Other (specify)	40020141	2.04
Trusts	10351	0.00
Non-Resident Indian (NRI)	437632	0.02
Clearing Members	40331	0.00
NON RESIDENT INDIAN NON REPATRIABLE	65910	0.00
Bodies Corporate	39465917	2.01
Sub Total B3	56340673	2.87
B=B1+B2+B3	196167342	10.00

BUSINESS DETAILS

Line of Business :	Subject is engaged in the manufacture and supply of Wire Rods, TMT Bars, Ductile Iron (DI) Pipes, Billets and also deals in Pig Iron and Iron and Steel Scrap products generated while manufacturing these products. It also produces Metallurgical Coke, Sinter and Power for captive consumption. (Registered activity)	
Products :	NIC Code of the Products	Product Description
	24101/24103/24105	Basic Iron and Steel
	24311	Ductile Iron Pipe
Brand Names :	Not Available	
Agencies Held :	Not Available	
Exports :	Not Divulged	

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 9

Imports :	Not Divulged
Terms :	Not Divulged

PRODUCTION STATUS NOT AVAILABLE

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 :	2245 (Approximately)	
Bankers / Lenders :	<ul style="list-style-type: none"> • Allahabad Bank • Indian Overseas Bank • Andhra Bank • Jammu & Kashmir Bank Limited • Bank of Baroda • LIC of India • Bank of India • Oriental Bank of Commerce • Bank of Maharashtra • Punjab National Bank • Canara Bank • Punjab & Sind Bank • Central Bank of India • SREI Infrastructure Finance Limited • Corporation Bank • State Bank of India • Dena Bank • Syndicate Bank 	

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	<ul style="list-style-type: none"> • HUDCO • UCO Bank • ICICI Bank Limited • Union Bank of India • IL&FS Financial Services Limited • United Bank of India • Indian Bank • Vijaya Bank 		
Facilities :	Secured Loan	31.03.2018	31.03.2017
		(INR in Million)	(INR in Million)
	Long-term Borrowings		
	From Banks:		
	Restructured Term Loan	59670.497	60391.068
	Additional Term Loan	12268.744	12268.744
	Funded Interest Term Loan (FITL)	13788.823	13788.823
	From Others:		
	Restructured Term Loan	7551.191	7886.005
	Funded Interest Term Loan (FITL)	1584.378	1584.378
	Less: Disclosed under Current Maturity of Long term Debt-Secured	(94863.633)	(26721.105)
	Short-term Borrowings		
	Loans Repayable on Demand		
	Working Capital Facility from banks	4204.588	4281.455
Buyers Credit	0.000	2681.471	
Total	4204.588	76160.839	
NOTE:			
LONG-TERM BORROWINGS			
Security			
(1) The entire borrowings from lenders banks amounting to INR 85728.064 Million and INR 4648.321 Million (included in from others i.e. HUDCO and Life Insurance Corporation of India) are secured by:			
(a) First ranking pari passu charge by way of mortgage/hypothecation of all immovable and movable properties (including fixed assets, plant and machinery, tools and accessories etc.), current assets(including inventory and book debts), present and future and assignment over all of Company's bank accounts;			
(b) Pledge of 866,750,000 Equity Shares of the Company held by Electrosteel Castings Limited (ECL);			
(c) pledge of 517,000 Equity Shares of the Company held by Mr. Umang Kejriwal;			

	<p>(d) Pledge of 32,675,270 Equity Shares of ECL held by G.K. Investments Limited and Murari Investments and Trading Company Limited. and</p> <p>(e) Personal guarantee of Mr. Umang Kejriwal and Ms. Radha Kinkari Kejriwal.</p> <p>(2) The loan of INR 4297.677 Million of SREI Infrastructure Finance Limited included from other is secured by:</p> <p>(a) Second pari passu charge by way of hypothecation of all movable assets (including receivables and intangibles), present and future;</p> <p>(b) Second charge on all rights, titles and interest in all assets of the Project, letter of credit/guarantee/ performance bond provided in respect of the Project and all Project documents, Contracts, Insurance Policies etc; and (c) first charge by way of mortgage of land with factory building situated at Elavur owned by ECL.</p> <p>(3) The loan of INR 189.572 Million from IL&FS Financial Services Limited included from other is secured by</p> <p>(a) second ranking pari passu charge by way of mortgage/hypothecation of all assets mentioned in 20.1(1)(a) above;</p> <p>(b) pledge of Shares as mentioned above ranking subservient to the pledge already created as above; and</p> <p>(c) personal guarantees as mentioned</p> <p>The applicable rate of interest on the above term loans during the year as per the CDR are - (a) FITL from all lenders carries interest @ 10.75% p.a. (b) Additional Term Loan from all lenders carries interest @ 11.00% p.a.</p> <p>(c) Restructured term loan carries interest @ 10.75% p.a. up to 29th February 2016 and @ 11% p.a. effective from 1st March 2016.</p> <p>(d) The interest on the term loans due from a non-CDR lender (SREI) has been provided in line with the CDR terms as approved by the CDR-EG.</p> <p>The Company was referred by the lenders to the Corporate Debt Restructuring (CDR) Cell in the financial year 2013-2014. The CDR Empowered Group (CDR EG) Cell vide its Letter of Approval dated 28 September 2013 had approved a package to restructure/reschedule the Company's Debt and provide additional facilities. The Master Restructuring Agreement had been executed between the Company and the concerned lenders on 20 January 2014. The borrowings from non-CDR lenders (viz. HUDCO, IL and FS and SREI, appearing under the head 'From Others') had also been restructured bilaterally in line with CDR guidelines subject to certain modifications. The terms and conditions in respect of borrowings including interest, security etc. are disclosed in accordance with approved CDR Package. As stated in Note no. 42, the company was in breach</p>
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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 12

	of covenants as agreed upon in terms of the loan agreement. Accordingly, State Bank of India, in it's capacity as financial creditors filed a petition under IBC, therefore the entire borrowings have been disclosed under "Current maturities of long term debt-Secured". The adjustments and disclosures in this respect are without giving effect to Hon'ble NCLT Order, the same being considered as non-adjusting event, due to reasons stated in said note.
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Auditors :	
Name :	B. Chhawchharia and Company Chartered Accountants
Address :	8A and 8B Satyam Towers, 3, Alipore Road, Kolkata – 700027, West Bengal, India
Tel. No.:	91-33-24791951
Fax No.:	91-33-24791952
E-Mail :	contact@bccoindia.com
Membership No.:	008482
Income-tax PAN of auditor or auditor's firm :	
Memberships :	Not Available
Collaborators :	Not Available
Promoter/Associate Company:	Electrosteel Castings Limited
Entities where KMP or their close member have significant influence or control and with whom transaction have taken place during the year	<ul style="list-style-type: none"> • Bose Estates Private Limited • Sree Khemisati Constructions Private Limited • Hooghly Alloy and Steels Company Private Limited • Wilcox Merchants Private Limited • Tulsi Highrise Private Limited

CAPITAL STRUCTURE

As on 31.03.2018

Authorised Capital :

No. of Shares	Type	Value	Amount
5000000000	Equity Shares	INR 10/- each	INR 50000.000 Million

Issued, Subscribed & Paid-up Capital :

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 13

No. of Shares	Type	Value	Amount
2409235023	Equity Shares	INR 10/- each	INR 24092.350 Million

a) Share Capital Reconciliation

Equity Shares	Number of Shares	Amount in Million
Opening balance	2409235023	24092.350
Issued during the period	--	--
Closing Balance	2409235023	24092.350

b) Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date

Name of Shareholder	Number of Shares	% of holding
Electrosteel Castings Limited	1089800000	45.23%
SCIIL Steel Cast Iron Investments (Cyprus) Limited (Formerly known as Stemcor Cast Iron Investments Limited)	197558730	8.20%

The Company has one class of shares referred to as Equity Shares having a par value of Rs. 10/-. Each Holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

FINANCIAL DATA
[all figures are in INR Million]

ABRIDGED BALANCE SHEET

SOURCES OF FUNDS	31.03.2018	31.03.2017	31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	24092.350	24092.350	24092.35
(b) Reserves & Surplus	(91168.549)	(29770.810)	(15138.502)
(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)	(67076.199)	(5678.460)	8953.848
(3) Non-Current Liabilities			
(a) long-term borrowings	0.000	69197.913	81591.481
(b) Deferred tax liabilities (Net)	0.000	0.000	0.000
(c) Other long term liabilities	0.000	3.540	3.541
(d) long-term provisions	119.030	76.405	59.620
Total Non-current Liabilities (3)	119.030	69277.858	81654.642
(4) Current Liabilities			
(a) Short term borrowings	4204.588	6962.926	6437.870
(b) Trade payables	11066.113	4207.429	3657.164
(c) Other current liabilities	129106.834	55392.674	33597.919
(d) Short-term provisions	2288.906	33.206	20.981
Total Current Liabilities (4)	146666.441	66596.235	43713.934
TOTAL	79709.272	130195.633	134322.424
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	51616.032	99100.752	103720.767
(ii) Intangible Assets	8.254	17.787	24.243
(iii) Capital work-in-progress	9194.313	17990.704	17505.414
(iv) Intangible assets under development	0.000	0.000	0.000
(b) Non-current Investments	0.000	0.000	0.000
(c) Deferred tax assets (net)	0.000	0.000	0.000
(d) Long-term Loan and Advances	87.162	81.250	0.000

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 15

(e) Other Non-current assets	367.101	866.857	1094.124
Total Non-Current Assets	61272.862	118057.350	122344.548
(2) Current assets			
(a) Current investments	0.000	0.000	0.000
(b) Inventories	8447.278	7917.620	7357.625
(c) Trade receivables	1825.197	1272.047	2507.483
(d) Cash and cash equivalents	6883.308	1340.685	529.389
(e) Short-term loans and advances	0.000	0.000	0.000
(f) Other current assets	1280.627	1607.931	1583.379
Total Current Assets	18436.410	12138.283	11977.876
TOTAL	79709.272	130195.633	134322.424

PROFIT & LOSS ACCOUNT

	PARTICULARS	31.03.2018	31.03.2017	31.03.2016
	SALES			
	Income	35328.340	27781.820	28887.589
	Other Income	884.306	976.778	157.144
	TOTAL	36212.646	28758.598	29044.733
Less	EXPENSES			
	Cost of Materials Consumed	22165.185	15342.533	18422.266
	Purchases of Stock-in-Trade	0.000	0.000	49.477
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	808.598	1170.947	(718.595)
	Excise Duty on Sale of Goods	662.974	2330.494	2910.642
	Employees benefits expense	1476.042	1311.763	840.397
	Exceptional Items	52383.581	0.000	(2765.192)
	Other expenses	6863.670	7191.655	6693.560
	TOTAL	84360.050	27347.392	25432.555
	PROFIT/ (LOSS) BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION	(48147.404)	1411.206	3612.178
Less	FINANCIAL EXPENSES	7899.591	11258.108	5266.327
	PROFIT / (LOSS) BEFORE TAX, DEPRECIATION AND AMORTISATION	(56046.995)	(9846.902)	(1654.149)
Less/ Add	DEPRECIATION/ AMORTISATION	5341.520	4787.897	2025.793

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 16

	PROFIT/ (LOSS) BEFORE TAX	(61388.515)	(14634.799)	(3679.942)
Less	TAX	0.000	0.000	0.000
	PROFIT/ (LOSS) AFTER TAX	(61388.515)	(14634.799)	(3679.942)
	Balance Carried to the B/S	(61388.515)	(14634.799)	(3679.942)
	Earnings / (Loss) Per Share (INR)	(25.48)	(6.07)	(1.53)

CURRENT MATURITIES OF LONG TERM DEBT DETAILS

Particulars	31.03.2018	31.03.2017	31.03.2016
Current Maturities of Long term debt	94863.633	26721.105	14657.365
Cash generated from operations	10406.980	2050.769	7214.341
Net cash flows from (used in) operating activities	10395.227	2044.238	7212.930

QUARTERLY RESULTS

Particulars	30.06.2018
Audited / Unaudited	Unaudited
	1 ST Quarter
Net Sales	10216.220
Total Expenditure	8608.510
PBIDT (Excl OI)	1607.710
Other Income	245.290
Operating Profit	1853.010
Interest	364.900
Exceptional Items	8562.750
PBDT	10050.860
Depreciation	771.210
Profit Before Tax	9279.650
Tax	NA
Provisions and contingencies	NA
Profit After Tax	9279.650
Extraordinary Items	NA
Prior Period Expenses	NA
Other Adjustments	NA
Net Profit	9279.650

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KEY RATIOS

EFFICIENCY RATIOS

PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Average Collection Days (Sundry Debtors / Income * 365 Days)	18.86	16.71	31.68
Account Receivables Turnover (Income / Sundry Debtors)	19.36	21.84	11.52
Average Payment Days (Sundry Creditors / Purchases * 365 Days)	182.23	100.10	72.27
Inventory Turnover (Operating Income / Inventories)	(5.70)	0.18	0.49
Asset Turnover (Operating Income / Net Fixed Assets)	(0.79)	0.01	0.03

LEVERAGE RATIOS

PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Debt Ratio ((Borrowing + Current Liabilities) / Total Assets)	3.03	1.25	1.04
Debt Equity Ratio (Total Liability / Networth)	(1.48)	(18.12)	11.47
Current Liabilities to Networth (Current Liabilities / Net Worth)	(2.19)	(11.73)	4.88
Fixed Assets to Networth (Net Fixed Assets / Networth)	(0.91)	(20.62)	13.54
Interest Coverage Ratio (PBIT / Financial Charges)	(6.09)	0.13	0.69

PROFITABILITY RATIOS

PARTICULARS		31.03.2018	31.03.2017	31.03.2016
Net Profit Margin ((PAT / Sales) * 100)	%	(173.77)	(52.68)	(12.74)

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 18

Return on Total Assets ((PAT / Total Assets) * 100)	%	(77.02)	(11.24)	(2.74)
Return on Investment (ROI) ((PAT / Networth) * 100)	%	91.52	257.72	(41.10)

SOLVENCY RATIOS

PARTICULARS	31.03.2018	31.03.2017	31.03.2016
Current Ratio (Current Assets / Current Liabilities)	0.13	0.18	0.27
Quick Ratio ((Current Assets – Inventories) / Current Liabilities)	0.07	0.06	0.11
G-Score Ratio Financial (Networth / Total Assets)	(0.84)	(0.04)	0.07
G-Score Ratio Debt (Debts / Equity Capital)	4.11	4.27	4.26
G-Score Ratio Liquidity (Total Current Assets / Total Current Liabilities)	0.13	0.18	0.27

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

STOCK PRICES

Face Value	INR 10.00/-
Market Value	INR 43.80/-

FINANCIAL ANALYSIS
[all figures are INR Million]

DEBT EQUITY RATIO

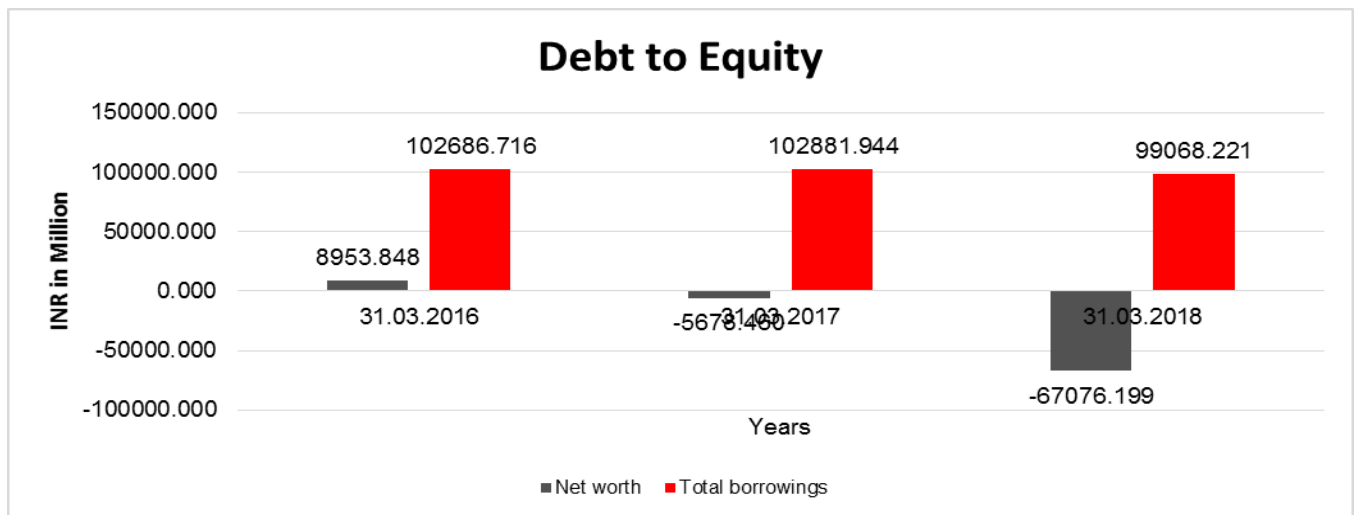
Particular	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Share Capital	24092.350	24092.350	24092.350
Reserves & Surplus	(15138.502)	(29770.810)	(91168.549)
Share Application money pending allotment	0.000	0.000	0.000
Net worth	8953.848	(5678.460)	(67076.199)

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 19

Long Term borrowings	81591.481	69197.913	0.000
Short Term borrowings	6437.870	6962.926	4204.588
Current Maturities of Long term debt	14657.365	26721.105	94863.633
Total borrowings	102686.716	102881.944	99068.221
Debt/Equity ratio	11.468	(18.118)	(1.477)



YEAR-ON-YEAR GROWTH

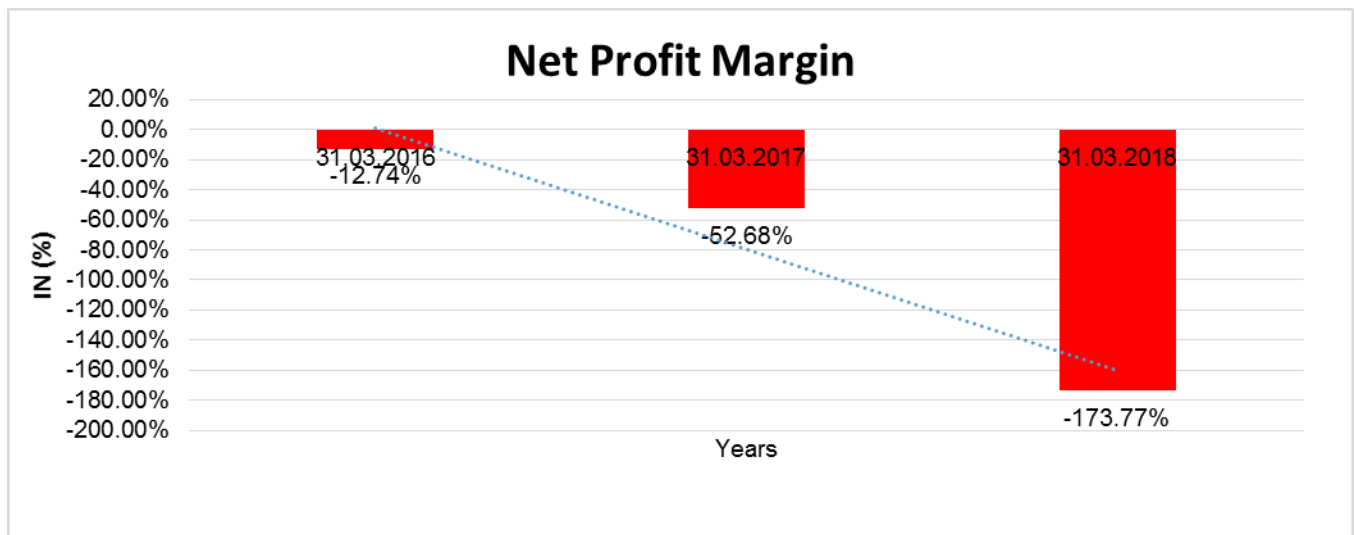
Year on Year Growth	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Sales	28887.589	27781.820	35328.340
		(3.828)	27.164



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NET PROFIT MARGIN

Net Profit Margin	31.03.2016	31.03.2017	31.03.2018
	INR In Million	INR In Million	INR In Million
Sales	28887.589	27781.820	35328.340
Profit	(3679.942)	(14634.799)	(61388.515)
	(12.74%)	(52.68%)	(173.77%)



LEGAL CASE

LEGAL CASE DETAILS FILE ATTACHED

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	No
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

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 21

10	Date of Birth of Proprietor / Partners / Directors	Yes
11	Pan Card No. of Proprietor / Partners	No
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	Yes
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	Yes
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

CORPORATE INFORMATION

Subject ("ESL" or "the Company") is a public limited company in India having its registered office at, 801, Uma Shanti Apartments, Kanke Road, Ranchi – 834 008 and is engaged in the manufacture and supply of Wire Rods, TMT Bars, Ductile Iron (DI) Pipes, Billets and also deals in Pig Iron and Iron and Steel Scrap products generated while manufacturing these products. It also produces Metallurgical Coke, Sinter and Power for captive consumption. The Company caters to the needs of construction, automobile, industrial machinery and equipments and water Infrastructure development. The Company's Shares are listed on the National Stock Exchange of India Limited and BSE Limited.

FINANCIAL SUMMARY/HIGHLIGHTS

The Company is selling Wire Rods, TMT Bars, Ductile Iron Pipes, Pig Iron and Billets in the open market. Continuous efforts for reduction of production cost and improvement of operational efficiency coupled with Favorable market conditions has resulted in the Company being able to report positive Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) for the year.

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Wide fluctuation in raw material prices, especially imported coking coal, also had a negative impact. Effective steps towards implementing better guidelines for operational procedure and precautionary measures thereto have been put in place. Continuous efforts were initiated to improve performance of the Company in both, quantitative and qualitative terms.

Despite operational and funding challenges of working capital, the Company was able to improve turnover vis-a vis previous financial year.

MANAGEMENTDISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW

Global economy continued its broad-based momentum and registered a growth of 3.8%. Global manufacturing activity continued to grow on account of favorable financing conditions globally, accommodative policies, rising investor confidence and increase in price commodity.

According to International Monetary Fund (IMF), global growth is projected to rise to 3.9% in 2018 and 2019. In 2018 growth will be, USA - 2.9%, Euro area - 2.4%, Japan - 1.2%, China - 6.6% and India - 7.4%.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

The Economic Survey for the year 2017-18 underlines that due to the launch of transformational Goods And Services Tax (GST) reform on July 1, 2017, time bound approval of turnaround plan of stressed companies for resolution under the new Indian Bankruptcy Code, implementing a major recapitalization package to strengthen the public sector banks, further liberalization of FDI and the export uplift from the Global recovery, the economy began to accelerate in the second half of the year. Due to series of major reforms undertaken, the Survey predicts 7.4% growth in 2018-19. The survey points out that India can be rated as among the best performing economies in the world as the average growth during last three years is around 4 percentage points higher than global growth and nearly 3 percentage points higher than that of Emerging Market and Developing Economies. It points out that the GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable.

Though concerns have been expressed about growing protectionist tendencies in some countries, but it remains to be seen as to how the situation unfolds. Some of the factors could have dampening effect on GDP growth in the coming year viz. the possibility of an increase in crude oil prices in the international market. However, with world growth likely to witness moderate improvement in 2018, expectation of greater stability in GST, likely recovery in investment levels, and ongoing structural reforms, among others, should be supporting higher growth. On balance, country's economic performance should witness an improvement in 2018-19.

GLOBAL STEEL INDUSTRY

Global demand of finished steel products will grow by 1.80% to more than 1.62 billion ton in 2018 and increase by another 0.70% to around 1.63 billion ton in 2019. China's steel demand which accounts for 46% of global steel

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demand is expected to be flat at 736.8 million ton in 2018, while declining by 2% to 722.1 million ton in 2019. However, steel demand in rest of the world is expected to grow at 3.4% in 2018 and 2.9% in 2019. Europe will experience marginal year on year growth with EU28 collective demand to rise by 2% to 165.6 million ton in 2018 and 0.8% to 166.9 million ton in 2019. The NAFTA region expected to grow at 3% to 145 million ton in 2018 and another 1.6% to 147.3 million ton in 2019. Global growth momentum is expected to aid growth in advance as well as developing markets

Further, restrictions by the US Government on imports and other protectionist measures in Europe and other regions may disrupt global trade and investment adversely.

As far as steel prices are concerned, global steel prices are in general maintaining a northward move, led by a combination of factors including supply-demand imbalance, raw material price movements, impact of trade cases and specially the impact of the stiff recommendations.

INDIAN STEEL INDUSTRY

The Union Budget 2018-19 stuck to its generic form, with its focus fixed on infrastructure and rural push- plifting the rural economy and strengthening of the agriculture sector-while at the same time, taking the digitalization drive forward and announcing core measures for healthcare for the economically less privileged and improvement in the quality of education of the country, among others. Significant investment in infrastructure development is all set to drive domestic steel demand, as per provisions of the annual budget announced by the Indian Government.

For Steel, the direct benefit is expected to come from the government's massive thrust on infrastructure development, with an allocation of INR 0.597 Million INR 59.700 Million though timely execution of projects remains a core parameter for steel demand to actually reach greater heights at the same time, a gamut of measures has been announced with the aim to boost domestic manufacturing, a step up in allocation for smart Cities mission, higher expenditure on railways Infrastructure, Airport capacity expansion and transportation especially debottlenecking of the railways and affordable housing which are all expected to act as a major boost for raising domestic steel demand. Again, government's focus on improving farm income and rising spend on irrigation sector are expected to lead to a rise in rural disposable income and rural housing construction, thereby boosting steel demand via both these indirect (working through agro-industry linkage) and direct routes. Indian steel consumption is expected to grow at 5.7% YOY to 92.1 million ton in 2018

OVERVIEW OF THE OPERATIONS

Performance of the Company Electrosteel Steels Limited (hereinafter referred to as Electrosteel or ESL or the Company) set up its Greenfield Integrated Steel and Ductile Iron Pipe Plant with 2.51 million ton per annum (MTPA) capacity as detailed hereunder is under construction and erection.

The Company is selling primarily TMT Bars, Wire Rods and Ductile Iron Pipes in the open market. Its flagship product – Ductile Iron Pipe has established its presence in the market and is contributing significantly to Company's growth. Continuous efforts for reduction of production cost and improvement in operational efficiency has resulted in the Company being able to report positive Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) for the year.

Wide fluctuation in raw material prices, especially imported coking coal, also had a negative impact. Effective steps towards implementing better guidelines for operational procedure and precautionary measures thereto have

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 24

been put in place. Continuous efforts were initiated to improve performance of the Company in both, quantitative and qualitative terms.

INDEX OF CHARGES:

SN o	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount	Address
1	G46 6759 63	10493 325	VISTRA ITCL (INDIA) LIMITED	17/04/2 014	26/04/2 017	-	195400000.0	IL & FS FINANCIAL CENTREPLOT NO C22 G BLOCK BANDRAKURLA COMPLEX BANDRA EASTMUMBAIJH827013I N
2	G49 5259 67	10487 072	VISTRA ITCL (INDIA) LIMITED	24/03/2 014	26/04/2 017	-	2986800000. 0	IL & FS FINANCIAL CENTREPLOT NO C22 G BLOCK BANDRAKURLA COMPLEX BANDRA EASTMUMBAIJH827013I N
3	G44 6330 55	10484 687	VISTRA ITCL (INDIA) LIMITED	24/01/2 014	26/04/2 017	-	10259380000 0.0	IL & FS FINANCIAL CENTREPLOT NO C22 G BLOCK BANDRAKURLA COMPLEX BANDRA EASTMUMBAIJH827013I N
4	B283 5235 9	10324 558	SREI INFRASTR UCTURE FINANCE LIMITED	26/12/2 011	-	-	5000000000. 0	VISHWAKARMA,86C,TOP SIA ROAD (SOUTH),KOLKATAWB70 0046IN
5	B719 9539 3	10261 324	STATE BANK OF INDIA	11/01/2 011	30/03/2 013	-	8650000000. 0	RELIANCE HOUSE34 J L NEHRU ROADKOLKATAWB70007 1IN
6	G76 9841 45	10547 664	L&T FinCorp Limited	22/01/2 015	31/03/2 015	02/02/2 018	400000000.0	L & T HOUSE, BALLARD ESTATE,MUMBAIMH4000 01IN
7	C399 1775 2	10066 956	IL & FS TRUST COMPANY LIMITED	29/08/2 007	26/03/2 013	12/01/2 015	85120000000 .0	IL & FS FINANCIAL CENTREPLOT NO C22 G BLOCK BANDRAKURLA COMPLEX BANDRA EASTMUMBAIMH400051I N
8	B958 3262 2	10440 089	The Bank of Baroda	28/06/2 013	-	07/02/2 014	72500000.0	3 Walchand Hirachand MargBellard PierMumbaiMH400001IN
9	B955	10372	STATE	30/07/2	-	29/01/2	560000000.0	CORPORATE FINANCE

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 25

	8925 5	111	BANK OF TRAVANC ORE	012		014		BRANCH112-115 TULSIANI CHAMBERS, 212 NARIMAN POINTMUMBAIMH400021 IN
10	B952 3426 6	10378 639	STATE BANK OF HYDERAB AD	19/09/2 012	-	18/01/2 014	800000000.0	COMMERCIAL BRANCH, TRINITY TOWER,GROUND FLOOR83, TOPSIA ROADKOLKATAWB70004 6IN

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER 30 JUNE 2018

Particulars		quarter ended
		30.06.2018
Income from Operations		
Sales/Income from Operations (Gross)		10216.225
b) Other Operating Income		245.292
Total Income from Operations (Net)		10461.517
Expenses		
a)	Cost of Materials consumed	6288.529
b)	Purchase of Stock-in-trade	0.000
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(477.882)
d)	Employee benefit expenses	372.174
e)	Depreciation and amortization expense	771.214
f)	Finance Costs	364.900
g)	Other expenses	2425.684
Total Expenses		9744.619
Profit /(Loss) from ordinary activities after finance costs but before exceptional items		716.898
Exceptional Items		8562.750
Profit /(Loss) from ordinary activities before tax		9279.648
Tax Expense		
-	Current Tac	--
-	Deferred Tax	--
Net Profit /(Loss) from ordinary activities after tax		9279.648
6 Other Comprehensive Income		
i.	Items that will not be reclassified to profit and loss:	(2.306)
	Income Tax relating to items that will not be reclassified to profit or loss	--
Other Comprehensive Income for the period		(2.306)

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7	Total Comprehensive Income for the period	9277.342
	Paid up equity share capital (Eq. shares of INR 10/- each)	916167.340
	Earnings per share (before/after extraordinary items) INR10/- each	
	Basic & Diluted	3.14

Note:

1. The above financial results which have been prepared in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016, have been reviewed by Audit Committee and approved by the Board of Directors at its meeting held on August 29, 2018. The above results have been subjected to Review by the Statutory Auditors.

2. The Company had filed application for renewal of Consent to Operate ('CTO') on August 24, 2017 for the period of five years which was denied by Jharkhand State Pollution Control Board ('JSPCB') on August 23, 2018. Hon'ble High Court of Jharkhand has, on August 25, 2018, granted a stay on the order of denial of CTO by JSPCB and continued their interim order to allow the operations till next hearing. Hon'ble High Court has also directed Ministry of Environment, Forests and Climate Change (MOEF and CC) to take a decision on their show cause notice of June 06, 2012 within four weeks and place the decision before the High Court by filing supplementary affidavit. Hon'ble High Court has also allowed the Company to make an application for regularisation of any irregularity before MOEF and CC without prejudice to its rights and contentions. The matter is now posted for hearing on September 27, 2018.

3. During the quarter Corporate Insolvency Resolution Process (CIRP) initiated on July 21, 2017 under Insolvency and Bankruptcy Code' 2016 by Hon'ble National Company Law Board Tribunal (NCLT) has been completed and order to the effect approving the resolution plan (ARP) submitted by Vedanta Limited (Vedanta) one of the applicant has been passed on April 17, 2018 by NCLT (NCLT Order). The NCLT Order and ARP has been upheld by National Company Law Appellate Tribunal vide its Order dated August 10, 2018 (NCLAT Order). Consequential impact giving effect to ARP approved as above are as follows:

a) The Board of the Company has been reconstituted on June 4, 2018 with nominees of Vedanta being inducted as member of the Board.

b) Vedanta Star Limited (a wholly owned subsidiary of Vedanta Limited) has on June 04, 2018 deposited INR 53200.000 Million in an escrow account ("Escrow Account") of the Company for payment to financial creditors of the entire amount of sustainable debts in terms of the ARP out of total Outstanding amount of INR 127191.321 Million and the same has been remitted to them on June 21, 2018.

c) 739,91,32,055 equity shares of INR 10 each were allotted on June 6, 2018 to financial creditors converting the non-sustainable debt to equity.

d) On June 14, 2018, the existing 980,83,67,078 equity shares including those allotted on June 6, 2018 to financial creditors as above have been reduced from INR 98083.671 Million to INR 1961.673 Million divided into 980,83,67,078 equity shares of Re. 0.20 each fully paid-up. Simultaneously, 50 such shares of Re .20 each thereafter has been consolidated into 1 fully paid-up equity share of INR 10 each. The amount of INR 96121.997 Million reduced as above in compliance with the Order of Hon'ble NCLT has been credited to Capital Reserve.

ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 27

e) On June 15, 2018, 176,55,06,078 fully paid equity shares of INR 10 each were allotted to Vedanta Star Limited against the money deposited in Escrow Account, leaving the balance of INR 35544.939 Million to be considered as long term interest bearing loan.

f) Consequent to above allotment and consolidation of shares, equity share capital of the company stands at INR 19616.734 Million divided into 196,16,73,420 equity shares of INR 10 each.

4. In view of Note no. 2 above and the Order of the Hon'ble NCLT as upheld by Hon'ble NCLAT (Note no. 3), whereby the affairs of the company has been held to be viable and steps so far taken and to be taken as envisaged in terms of ARP, the financial statement has been prepared on a Going Concern basis.

5. i) The liability pertaining to Operational Creditors being no longer payable in terms of ARP amounting to Rs.85,627.50 lakhs has been written back and shown as exceptional items. Further, contingent liabilities, obligations and claims etc. against the Company stand extinguished and accordingly no outflow of fund is expected in this respect.

ii) Exceptional Items (net) pertaining to earlier period relates to INR 1000.000 Million received from the Insurer against "Loss of Profit" claim, Provision of INR 51119.301 Million for Impairment of Property, Plant and Equipment's, Intangible Assets and Capital Work in progress and INR 2264.280 Million provided against claim from operational creditors pursuant to CIRP.

6. In term of Ind AS 108 "Operating Segment", the Company has one business segment i.e. Iron and Steel and related products and all other activities revolve around the said business.

7. In term of Ind AS 108 "Operating Segment", the Company has one business segment i.e. Iron and Steel and related products and all other activities revolve around the said business.

8. Goods and Service Tax ("GST") has been implemented with effect from July 01, 2017 and therefore Revenue from Operations for the quarter ended June 30, 2018 and March 31, 2018 are net of GST. Revenue from operations and expenses for the quarter ended June 30, 2017 being inclusive of excise duty are not comparable.

9. The figures for the quarter ended March 31, 2018 are balancing figures between the audited figures in respect of the full financial year ended March 31, 2018 and the unaudited published year to date figures up to December 31, 2017, being the third quarter of the financial year, which was subject to limited review. Previous periods' figures have been regrouped wherever appropriate to conform to current periods' presentation.

10. Previous periods' figures have been regrouped wherever appropriate to conform to current periods' presentation.

CONTINGENT LIABILITIES:

(INR in million)

PARTICULARS	31.03.2018	31.03.2017
a) Various show cause notices/demands issued/ raised, which in the opinion of the management are not tenable and are pending with various forum/ authorities		
- Central Excise & Service Tax	370.754	373.409
- Customs Duty including Interest thereon in respect of EPCG	15773.994	12673.794
- Customs Duty (other than above)	597.473	597.473
- Sales Tax	2570.483	1578.819

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ELECTROSTEEL STEELS LIMITED - 530860

PAGE NO. : 28

- Entry Tax	2938.005	2534.870
- Income Tax	18.243	5.363
b) Guarantees given by banks on behalf of the Company	291.625	286.515
c) Right of Recompensation of Lenders as per CDR Guidelines	0.000	286.515
d) Penalty for non-compliance of listing agreement	10.000	10.000
e) Other pending claims and disputes (Net of provision of INR 73.774 Million (March 31, 2017: Nil))	0.000	73.774
f) Claims filed against the company by the vendors	556.980	1938.416

(g) There are several Civil and criminal proceedings pending against the Company, the financial liability thereof, if any, is unascertainable.

Notes:

1) The Company's pending litigations comprises of claims against the company and proceedings pending with Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial positions. Future cashflow, if any in respect of (a), (d), (e), (f) and (g) is dependent upon the outcome of judgements/ decisions.

2) The Committee of Creditors in their meeting held on September 21, 2017 discussed in light of the relevant CDR and RBI circulars (CDR Master Circular dated 25th June 2015 and RBI Circular bearing no. DBOD.No.BP.BC.No.37 /21.04.132/2008-09 dated 27th August 2008 on Prudential Guidelines on Restructuring of Advances by Banks) and agreed that the Right of Recompensation cannot be claimed and thereby to undertake calculation of claim amounts on the basis of the principal and interest along with any amounts arising on account of penal interest.

FIXED ASSETS

- Leasehold Land
- Building
- Furniture and Fixture
- Plant and Machinery
- Vehicle
- Office Equipment
- Railway Siding

PRESS RELEASE

ELECTROSTEEL STEELS INSOLVENCY FALLOUT: EXCHANGES GRAPPLE WITH PRICE DISTORTION

Insolvency resolution of Electrosteel Steels Limited. has thrown up an unexpected concern for exchanges: a wide gap between the prices of the stock on two bourses.

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Shares of the steelmaker, taken over by Vedanta Limited., closed at INR10 apiece on the National Stock Exchange of India Limited. on Wednesday compared with INR 48.25 on the BSE Limited.

To curb such large variations, the bourses have jointly written to the regulator to “harmonise” prices across platforms, BSE said in an emailed response to Bloomberg Quint without giving details. “We shall be driven by the decision taken by the Securities and Exchange Board of India on the matter.”

An emailed query to the NSE remained unanswered.

Electrosteel Steels was the first company to resume trading after a week following the implementation of resolution plan. At least 60 listed entities are at various stages under the Insolvency and Bankruptcy Code. Monnet Ispat and Energy Limited., taken over by JSW Steel Limited., will resume trading after reissuing shares starting next week.

An artificial price gap in the prices on two exchanges is by no means acceptable, Arun Kejriwal, director at Kris Capital, said, adding that an arbitrage opportunity needs to be justifiable. “Such a difference can lead to disputes and leave undue room for manipulation which neither exchange wants. They need to come to a common ground on the price else the investors will have no option but to approach the regulator.”

Also read: SEBI Co-Location Probe: How Much OPG Gained With First Access To NSE's Server

To be sure, different prices on the two exchanges is nothing new. But the gap is usually not more than 1 percent. Larger variations are rare, and usually caused by some corporate actions, delisting and listing. 5Paisa Capital Limited. was one such exception, listing at INR 400 apiece on the NSE and at Rs 650 apiece on the BSE.

BSE, in its response to Bloomberg Quint, said such a difference is based on the price discovery on the first day of trading and the base price on which circuit filters are applied.

To avoid that, the exchanges need to talk to each other so that there is correct price discovery when restructuring or relisting happens, said Rajesh Baheti, president of the Association of National Exchange Members of India—a lobby of stockbrokers. “This is not isolated and seems to be a clear case of miscommunication between the exchanges.”

One possible solution suggested by the exchanges to the regulator is to consider the price of the platform with larger trading volumes as the uniform discovered price, according to a person with direct knowledge of the development, who didn't wish to be identified.

Also read: Top NSE Officials 'Facilitated' Co-Location Fraud, Says SEBI Show-Cause Notice

What Happened At Electrosteel Steels?

On June 11, the stock stopped trading ahead of Vedanta's resolution scheme being implemented. The exchanges announced a special pre-open session for its relisting on June 18, fixing INR 10 as the base value. During the pre-open trading, the stock settled at 94 paise on the BSE and at INR 1.1 on the NSE. It opened higher at INR 13.2 and INR 1.4, respectively, on the two exchanges.

The stock continued to rise on the BSE, hitting a high of INR 74.4 on Aug. 8, according to the data on the exchange. On the NSE, it was trading at INR 5.5 then.

The shares closed at INR48.25 apiece on the BSE on Aug. 29 and Rs 10 on the NSE.

There is also a wide gap in the trading volumes on the two platforms. Just 2,273 shares changed hands on the NSE on Aug. 29 compared with 72,472 shares on the BSE.

Also read: BSE Scraps Special Foreign Investment Window After Regulator Eases Framework Typically, according to the regulator's 2012 circular, such stocks are kept in a trade-to-trade segment for the first 10 days with applicable price bands to prevent high volatility.

In case the equilibrium price—reflecting a demand-supply balance—is discovered in the call auction or pre-open trading, the price band for trading is 5 percent of the discovered price. If the equilibrium price is not discovered, the scrip continues to trade in call auctions till the price is determined.

There is a larger issue which leads to price discrepancies, said a former SEBI official requesting anonymity, attributing it to lack of adequate volume and price discovery in pre-open sessions. Globally, they work smoothly but in India there is no contribution towards price discovery and investors only participate when the trading is regular, said an academician, he did not wish to be quoted as he consults with the regulators on policy issues.

Monnet Ispat will be the next test case, unless exchanges find a way to harmonise prices.

BOARD OF ELECTROSTEEL STEELS TO CONSIDER PROPOSAL OF DELISTING

On 24 September 2018

The Board of Electrosteel Steels will meet on 24 September 2018 to consider and approve Company has received a letter dated 18.09.2018 from Vedanta Star ('Acquirer'), wherein the Acquirer has expressed its intention to acquire up to 1961,67,342 equity shares of the Co. representing approx.10% of the paid up share capital of the Co. held by the shareholders of the Company (other than the Acquirer) at a price of Rs 9.54 per equity shares calculated in terms of the Resolution Plan approved by the Kolkata Bench of NCLT vide its order dated 17 April 2018.

Accordingly, a meeting of the Board of Directors of the Company is proposed to be held on 24 September 2108 in order to consider inter alia the following:

1. To consider the proposal of delisting made by the Acquirer; and
2. Any other matters incidental thereto.

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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 71.84
UK Pound	1	INR 95.15
Euro	1	INR 84.68

INFORMATION DETAILS

Information Gathered by :	SWTA
Analysis Done by :	VIV
Report Prepared by :	SUJ

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	YES
--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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