

Name of the issue: Electrosteel Steels Limited

- 1 **Type of issue (IPO/ FPO)** IPO
- 2 **Issue size (Rs. in crore)** 285.28 *
* (including a Green Shoe Option of Rs 37.21 crs)

3 **Grade of issue alongwith name of the rating agency**

Name	Grade
CARE	IPO GRADE 3

- 4 **Subscription level (number of times).** Overall 6.89 times *
* after Technical Rejections, net of cheque returns- Source: Final Post Issue Report

5 **QIB holding (as a % of total outstanding capital) as disclosed to stock exchanges**

Particulars	%age
(i) allotment in the issue*	7.52%
(ii) at the end of the 1st Quarter immediately after the listing of the issue (Dec 30, 2010)**	3.16%
(iii) at the end of 1st FY (March 31, 2011)**	3.16%
(iv) at the end of 2nd FY (March 31, 2012)**	2.08%
(v) at the end of 3rd FY (March 31, 2013)**	1.67%

* Source: Basis of Allotment

**Source: As per Clause 35 reporting on stock exchanges- represents holding of 'institutions' category

6 **Financials of the issuer**

(Rs. in crores)

Parameters	1st FY (March 31, 2011)*	2nd FY (March 31, 2012)*	3rd FY (March 31, 2013)*
Income from operations	7.43	60.69	163.11
Net Profit for the period	(6.13)	(149.82)	(280.01)
Paid-up equity share capital	2034.74	2034.74	2186.74
Reserves excluding revaluation reserves	-	33.8	(116.02)

* Source: Standalone Financial Statements- stock exchange filing

7 **Trading status in the scrip of the issuer**

Particulars	Status
(i) at the end of 1st FY (March 31, 2011)	Frequently traded on BSE, Infrequently traded on NSE
(ii) at the end of 2nd FY (March 31, 2012)	Infrequently traded on BSE and NSE
(iii) at the end of 3rd FY (March 31, 2013)	Infrequently traded on BSE and NSE

Source: www.bseindia.com and www.nseindia.com

8 **Change, if any, in directors of issuer from the disclosures in the offer document**

Particulars	Name of Director Appointed / Resigned	
(i) at the end of 1st FY (March 31, 2011)*	Mr Anil Kumar Sinha	Resigned from the Chairmanship
(ii) at the end of 2nd FY (March 31, 2012)*	Mr Binod Khaitan	Appointed as Additional Independent Director (Non Executive) cum Chairman
	Mr Sanjoy Tekriwal	Resigned
	Mr Lalit Kumar Singhi	Appointed as Non Executive Independent Director
(iii) At the end of 3rd FY (March 31, 2013)*	NA	NA

*Source: Stock Exchange filings

9 **Status of implementation of project/ commencement of commercial production**

(i) as disclosed in the offer document

Particulars \ Details	Date of Commencement	Completion Date
Basic / Detail Engineering	April-07	March 2008/ March 2010
Site Preparation including leveling	April-07	September '09
Preparation of TS/ Tendering and Placement of order of major Plant & Equipment	April-07	April '08
Preparation of TS/ Tendering and Placement of order for auxiliary facilities	April-07	June '08
Civil Works	July-07	September '10
Structural works including fabrication and erection	October-07	September '10
Delivery of Equipment	April-08	September '10
Erection of Equipment	April-08	September '10
Trial Run/ Testing/ Commissioning	September '10	September '10
Commencement operations		October '10

(ii) actual implementation*

Particulars \ Details	Date of Commencement	Completion Date/Status as on 31/08/2012
Basic / Detail Engineering	April-07	March 2010
Site Preparation including leveling	April-07	September'09
Preparation of TS/ Tendering and Placement of order of major Plant & Equipment	April-07	April '08
Preparation of TS/ Tendering and Placement of order for auxiliary facilities	April-07	June'08
Civil Works #	July-07	95% of Civil works completed. Finishing work under progress.
Structural works including fabrication and erection #	October-07	95% structural work completed
Delivery of Equipment #	April-08	Required equipment brought & erected. Balance will be brought as per erection schedule.
Erection of Equipment #	April-08	Erection of one production line completed
Trial Run/ Testing/ Commissioning #	September '10	Trial Run/Testing/ Commissioning continued in various plants Operation of pig iron, coke and DI Pipe plant started. Coke production is continuing. Production of rebar planned as per required integration sequence starting from Sinter plant.
Commencement operations		

* Source- Company

Source: Unaudited Financial Results for quarter ended and half year ended September 30, 2012- A part of plant facility has commenced production.

Since the capacity of the Integrated Steel Project including the Ductile Iron Pipe Plant has been increased from 2.2 MTPA to 2.51 MTPA, the above status is for 2.51 MTPA plant. Disclosure of the capacity enhancement has also been done to the Stock Exchanges

(iii) Reasons for delay in implementation, if any Decrease in availability of Chinese manpower with work visa due to Guidelines issued by the Central Government of India on Visa Policy (Source Annual Report)

10 Status of utilization of issue proceeds
(i) as disclosed in the offer document

(Rs Crs)				
Activities	Already deployed upto July 31, 2010	August 2010 to March 2011	April 2011 to March 2012	Total
1. Land and Site Development	192.24	24.48	-	216.72
2. Buildings	64.19	0.256	-	64.45
3. Plant and Machinery	3,310.77	2,327.62	-	5,638.40
4. Design, Engineering and Project Management Services	180.49	50.184	-	230.68
5. Preliminary and Pre-operative Expenses	193.14	18.446	-	211.59
6. Contingency	-	132.00	-	132.00
7. Interest During Construction	371.65	326.35	-	698.00
8. Margin Money for Working Capital	-	170.17	-	170.17
9. General Corporate Purpose	-	114.76	30.73	145.49
10. Margin Money towards Bank Guarantees	13.24	8.77	-	22.00
11. Issue Expense	-	22.55	-	22.55
Total	4,325.73	3,195.58	30.73	7,552.04

Note: Amount funded through existing equity- Rs 1665.76 crs, Funded through Common Loan Agreement dated August 20, 2009- Rs 5447 crs, Pre IPO placement of Rs 154 crs, rest to be sourced through IPO

(ii) actual utilization

Particular of Fund utilization for	(Rs. in Crs)		Total
	Fiscal 2011	Actual Utilization Fiscal 2012	
<i>To part finance the construction of the integrated steel and DI pipe plant having a capacity of 2.2 MTPA in Jharkhand, India, Margin money towards Bank Guarantees</i>	230.02	-	230.02
General Corporate Purpose			
Issue Expenses	18.27	-	18.27
Funds utilised by the Stabilising Agent for price stabilisation	36.99	-	36.99
Total	285.28	-	285.28

Source: BSE filings, March 2011 results

(iii) Reasons for deviation, if any

Even though the Company was able to raise Rs. 285.3 crs through its initial public offering, an amount of Rs. 37 crs was utilised by the Stabilising Agent pursuant to the Green Shoe mechanism. The balance of Rs. 248.3 crs was utilised by the Company for its stated objects

11 Comments of monitoring agency, if applicable

(a) Comments on use of funds

(b) Comments on deviation, if any, in the use of proceeds of the issue from the objects stated in the offer document

NOT APPLICABLE

(c) Any other reservations expressed by the monitoring agency about the end use of funds

12 Price-related data

Issue price (Rs): Rs 11/- per share
 Designated Stock exchange: BSE
 Listing Date: 8-Oct-10

Price parameters	At close of listing day	At close of 30th calendar day from listing day (08 Nov 2010)	At close of 90th calendar day from listing day (05 Jan 2011)	As at the end of 1st FY after the listing of the issue (March 31, 2011)		
				Closing price	High (during the FY)*	Low (during the FY)*
Market Price	11.25	11.12	10	8.16	12.35	6.96
BSE Index (Designated Stock Exchange):	20250.26	20852.38	20301.1	19445.22	21108.64	17295.62
Sectoral Index - BSE Metal Index- as company is in Metal sector	17391.94	17622.02	17781.96	16161.39	18129.92	14832.6

* The high and low prices are based on intra day high and low

Price parameters	As at the end of 2nd FY after the listing of the issue (March 31, 2012)^			As at the end of 3rd FY after the listing of the issue (March 31, 2013)^^		
	Closing price	High (during the FY)*	Low (during the FY)*	Closing price	High (during the FY)*	Low (during the FY)*
Market Price	6.26	10.5	3.75	5.07	9.1	4.33
BSE Index (Designated Stock Exchange):	17478.15	19811.14	15135.86	18864.75	20203.66	15748.98
Sectoral Index - BSE Metal Index- as company is in Metal sector	11315.86	16918.04	9191.03	8651.71	11534.39	8485.22

^ March 31, 2012 being Saturday, the immediately following working day has been considered, i.e., April 2, 2012 for Closing Prices, High, Low

^^ March 31, 2013 being Sunday, the the immediately following working day has been considered, i.e., April 1 2013 for Closing Prices, High, Low

13 Basis for Issue Price and Comparison with Peer Group & Industry Average

Accounting ratio	Name of company	Face Value (In Rs)	As disclosed in the offer document (See Clause (2) (VII) (K) of Schedule VIII to SEBI (ICDR) Regulations, 2009)	At the end of 1st FY (March 31, 2011)**	At the end of 2nd FY (March 31, 2012)***	At the end of 2nd FY (March 31, 2013) ^
EPS	Issuer:	10	NA	(0.03)*	(0.74)	(1.32)
		<i>Face Value</i>				
		<i>(In Rs)</i>				
	<i>Peer Group:**</i>					
	<i>Tata Steel Limited</i>	10	47.9	71.6	65.4	53.6
	<i>Steel Authority of India Limited</i>	10	16.4	11.8	9	5.6
	<i>Uttam Galva Limited</i>	10	8.4	6.3	6.4	3.7
	<i>Usha Martin Limited</i>	1	2.9	3.3	-	0.2
	Industry Avg:		NA	NA	NA	NA
P/E	Issuer:	10	NA	-	-	-
	<i>Peer Group:**, #</i>					
	<i>Tata Steel Limited</i>	10	10.7	8.67	7.21	5.87
	<i>Steel Authority of India Limited</i>	10	12.1	14.39	10.69	11.20
	<i>Uttam Galva Limited</i>	10	13.3	17.77	10.95	21.22
	<i>Usha Martin Limited</i>	1	27.4	17.33	NA	115.25
	Industry Avg:		NA	NA	NA	NA
RoNW	Issuer:	10	NA	-	-	-
	<i>Peer Group:**</i>					
	<i>Tata Steel Limited</i>	10	14.2	14.2	16.4	9.4
	<i>Steel Authority of India Limited</i>	10	24.2	22	13.9	9.2
	<i>Uttam Galva Limited</i>	10	13.1	11.9	8.3	4.6
	<i>Usha Martin Limited</i>	1	7.3	7.3	6.5	0.5
	Industry Avg:		NA	NA	NA	NA

	Issuer	10	10 ^{\$}	10.17*	9.42	8.19
NAV per share based on balance sheet	<u>Peer Group:**</u>					
	Tata Steel Limited	10	416.6	487.5	541.8	568.5
	Steel Authority of India Limited	10	80.7	91.1	96.4	99.3
	Uttam Galva Limited	10	73.4	77.5	83.8	87.6
	Usha Martin Limited	1	49.2	51.1	50.3	50.7
	Industry Avg:		NA	NA	NA	NA

\$ NAV per share = Net Asset Value per Equity Share represents shareholders' equity less miscellaneous expenses as divided by actual number of Equity Shares outstanding as at the end of the relevant period .

* Data for the issuer company sourced from Annual Report ; Formula used to calculate NAV = Net worth/ No of Shares outstanding as on March 31, 2011

** Peer Group data for Fiscal 2011 is sourced from Capital Markets Volume XXVI/09- June 27- July 10, 2011; data for Fiscal 2012 is sourced from Capital markets Volume- XXVII/08- June 11- 24, 2012 ; data for Fiscal 2013 is sourced from Capital markets Volume- XXVIII/12- August 05-18, 2013

#PE for FY 11 has been computed based on closing price taken from BSE as of March 31, 2011 divided by EPS based on Capital Line volume: XXVI/09 June 27-Jul 10, 2011. PE for FY 12 has been computed based on closing price taken from BSE as of April 2, 2012 (March 31, 2012 being Saturday, the immediately following working day has been considered) divided by EPS based on Capital Line volume: XXVII/08- June 11- 24, 2012. PE for FY 13 has been computed based on closing price taken from BSE as of April 1, 2013 (March 31, 2013 being Sunday, the immediately following working day has been considered) divided by EPS based on Capital markets Volume- XXVIII/12- August 05-18, 2013

*** Data for the issuer company sourced from Financial Results filed with the stock exchanges ; Formula used to calculate NAV = Net worth/ No of Shares outstanding as on March 31, 2012

^ Data for the issuer company sourced from Financial Results filed with the stock exchanges ; Formula used to calculate NAV = Net worth/ No of Shares outstanding as on March 31, 2013

14 Any other material information

Date of Intimation to BSE	Particulars
13-Oct-10	Blast Furnace of the Company's Steel Plant which was commission on September 27, 2010 was temporarily shut down for synchronization of the other units of the steel plant. The same was restarted in March 2011.
4-Nov-11	The capacity of the Integrated Steel Project including the Ductile Iron Pipe Plant was increased from 2.2 MTPA to 2.51 MTPA- 4 Nov 2011
4-Nov-11	The Company will be Signing the "Offtake Agreement" with Electrosteel Castings Ltd., the Promoter of the Company for sale of Ductile Iron Pipe and Pig iron
6-Feb-12	The Company will be signing an Offtake Agreement with Stemcor India Pvt. Ltd. and/or Electrosteel Castings Limited, for securitization of its future receivables of sale proceeds of Ductile Iron pipes and Pig Iron

8-May-12	Electrosteel Steels Ltd has informed BSE that the Board of Directors of the Company at its meeting held on May 08, 2012, has approved the following: The issue of fresh capital by way of equity shares or other convertible/non convertible securities, not exceeding Rs. 250 crores, through preferential allotment to Electrosteel Castings limited at Rs. 10/- per share under section 81(1A) of the Companies Act, 1956. The issue of FCCBs / FCCNs / GDRS / ADRS / SPNs / OFIs, subject to applicable regulations and approvals, not exceeding USD 150 Mn (including over allotment option upto 20%).
23-Aug-12	Outcome of AGM- the company is authorised to issue of fresh equity shares through preferential allotment under section 81(1A) of the Companies Act, 1956 upto Rs 152 crores. Raising of additional long term funds through issue of fresh capital by way of equity shares or other convertible/non convertible securities of the company - not exceed USD 150 million.
31-Aug-12	Preferential Allotment- Electrosteel Steels Ltd has informed BSE that in terms of notice dated July 07, 2012, Special Resolution has been passed by the members in the Annual General Meeting of the Company held on August 07, 2012, for the issue of 15.20 crores fresh equity shares of face value Rs. 10/- each through preferential allotment to the Promoter of the Company 'Electrosteel Casting Limited', under the provision of section 81(1A) the Companies Act, 1956. Pursuant to above, the Company in its meeting of 'Share Allotment Committee' held on August 31, 2012 had allotted 15.20 crores equity Shares of face value of Rs.10/- each, to the promoters of the Company 'Electrosteel castings Limited' at an issue price of Rs. 10/- per share.

Source: www.bseindia.com

For further updates and information, please refer stock exchange websites i.e. www.bseindia.com and www.nseindia.com

Note: Electrosteel Steels Limited's shares were listed on the BSE and NSE on October 08, 2010. The above track record has been updated upto March 31, 2013 - since three financial years have elapsed from the date of listing

The merchant banking business of Enam Securities Private Limited has vested with Axis Capital Limited which has been granted SEBI registration under the SEBI (Merchant Bankers) Regulations, 1992, as amended, in lieu of the earlier registration.