

TRACK RECORD OF THE PUBLIC ISSUES MANAGED BY THE MERCHANT BANKER IN THE LAST 3 FINANCIAL YEARS

Name of the issue:

Electrosteel Steels limited

1) Type of issue

IPO

2) Issue size (Rs. crore)

285.28

Of the above Rs. 37.21 crs were raised under the Green Shoe Option

3) Grade of issue along with name of the rating agency

Name
Grade

CARE
3/5

4) Subscription level (number of times)

Overall 6.89 times

Note: The above figures are net of cheque returns and after technical rejections.

Source: Post Issue Monitoring Report

5) QIB holding (as a % of total outstanding capital)

Particulars	Percentage
(i) allotment in the issue#	7.52%
(ii) at the end of the 1st Quarter immediately after the listing of the issue * (31-12-2010)	3.16%
(iii) at the end of March 31, 2011 *	3.16%
(iii) at the end of March 31, 2012 *	2.08%
(iii) at the end of March 31, 2013*	1.67%

Source:

#Shareholding pattern filed with the stock exchanges (sum of 'Institutions' category) and the Basis of Allotment

*Clause 35 Reporting with the BSE. QIB Holding disclosed represents the sum of the "Institutions" category in the reporting.

6) Financials of the issuer

(Rs in crore)

Parameters	Fiscal 2011	Fiscal 2012	Fiscal 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	2,034.74	2,034.74	2186.74
Reserves excluding revaluation reserves	-	33.8	(116.02)

Source: Clause 41 reporting with BSE; Standalone financials

7) Trading status in the scrip of the issuer

The equity shares of the Issuer are listed on the BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE")

Particulars	BSE
(i) at the end of March 31, 2011	Frequently traded
(ii) at the end of March 31, 2012	Infrequently traded
(iii) at the end of March 31, 2013	Infrequently traded

8) Change, if any, in directors of issuer from the disclosures in the Prospectus

Particulars	Name of Director	Appointed/ Resigned/ Retired	Date of announcement
During year ended March 31, 2011	Mr. Anil Kumar Sinha	Resigned	15/11/2010
During year ended March 31, 2012	Mr. Binod Khaitan	Appointed as Non Executive Independent Chairman	22/04/2011
	Mr. Sanjoy Tekriwal	Resigned from the Board	6/2/2012
	Mr. Lalit Kumar Singhi	Appointed as Non Executive Independent Director	6/2/2012
During year ended March 31, 2013 ^(^)	NIL	NIL	NIL

(^) However the following changes in directors have taken place upto August 31, 2013

1. May 06, 2013 - Electrosteel Steels Ltd has informed BSE that the Board of Directors of the Company at its meeting held on May 06, 2013 have appointed Mr. Jinendra Kumar Jain as the 'Additional Non Executive Independent Director' of the Company.
2. May 06, 2013 - Electrosteel Steels Ltd has informed BSE that the Board of Directors of the Company at its meeting held on May 06, 2013 have appointed Mr. Amrendra Prasad Verma as the 'Nominee Director' of the Company .
3. May 06, 2013 - Electrosteel Steels Ltd has informed BSE that Mr. Binod Khaitan, Non Executive Independent Chairman of the Company has resigned from the Board of the Company

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

(i) as disclosed in the Prospectus dated Sep 29, 2010

Particulars \ Details	Date of Commencement	Completion Date	Status
Basic / Detail Engineering	April-07	March 2008/ March 2010	Completed
Site Preparation including leveling	April-07	September'09	Completed
Preparation of TS/ Tendering and Placement of order of major Plant & Equipment	April-07	April '08	Completed
Preparation of TS/ Tendering and Placement of order for auxiliary facilities	April-07	June'08	Completed
Civil Works	July-07	September '10	Civil foundation work almost completed
Structural works including fabrication and erection	October-07	September '10	Structural work commenced and expected to be completed by September '10
Delivery of Equipment	April-08	September '10	Approx 62% Equipment delivery received, and remaining expected to be completed by September '10.
Erection of Equipment	April-08	July-September'10	Erection commenced parallelly to be completed by September'10
Trial Run/ Testing/ Commissioning	September '10	September '10	To commence from September 2010 and units will be commissioned in sequence.
Commencement operations		October '10	Commercial production will start from October '10

(ii) Status of Actual implementation#

Particulars \ Details	Date of Commencement	Completion Date / Status as on 31-03-2013#
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	95% of civil work completed. Finishing work under progress,
Structural works including fabrication and erection *	October-07	95% structural work completed.
Delivery of Equipment *	April-08	Required equipments brought & erected. Balance equipment 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
Commencement operations		-Operation of pig iron, coke and D.I Pipe plant started. -Coke production is continuing. - Operation of Steel Melt Shop (SMS) for billet production and Re-bar Mill for production of TMT bars started.

**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*

#Source: Company

(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 - 2012)

10. Status of utilization of Gross issue proceeds

(i) As disclosed in the offer document(Prospectus dated Sep 29,2010)

(Rs. In 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	3310.77	2327.62	-	5638.40
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	4325.73	3195.58	30.73	7552.04

Note: amount funded through existing Equity- Rs. 1665.76 crore. Funded through common loan agreement dated August 20, 2009 - Rs. 5447 crores. Pre-ipo placement of Rs. 154 crores. Rest to be sourced through IPO.

(Rs. In Crs)

Sr. No.	Expenditure Items	Estimated Utilization		Total
		Fiscal 2011	Fiscal 2012	
1	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.	232.00	-	232.00
2	General Corporate Purpose	-	30.73	30.73
3	Issue Expense	22.55	-	22.55
	Total	254.55	30.73	285.28

(ii) Actual utilization**(Rs. In Crs)**

Particular of Fund utilization for	Actual Utilization		Fiscal 2013	Total
	Fiscal 2011*	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

*The Company has utilised entire IPO proceeds as per details mentioned above.

(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 | NA |
| (b) Comments on deviation, if any, in the use of proceeds of the issue from the objects stated in the Prospectus | NA |
| (c) Any other reservations expressed by the monitoring agency about the end use of funds | NA |

12. Price- related data

Issue price (Rs): 11

Price parameters	At close of listing day (08/10/2010)	At close of 30th calendar day from listing day (8/11/2010) ⁽¹⁾	At close of 90th calendar day from listing day (05/01/2011) ⁽¹⁾	As at the end of 31/03/2011 after the listing of the issue		
				Closing price as on 31/03/2011	High (during the FY)	Low (during the FY)
Market Price	11.25	11.12	10.00	8.16	12.35	6.96
Index (of the Designated Stock Exchange):BSE	20,250.26	20,852.38	20,301.10	19,445.22	21,108.64	17,295.62
Sectoral Index (BSE Metal as company is in Metal sector)	17,391.94	17,622.02	17,781.96	16,161.39	18,129.92	14,832.60

Price parameters	As at the end of 31/03/2012 after the listing of the issue			As at the end of 31/03/2013 after the listing of the issue		
	Closing Price as on 30/03/2012*	High (during the FY)	Low (during the FY)	Closing price [^]	High (during the FY)	Low (during the FY)
Market Price	6.26	10.50	3.75	4.88	9.10	4.33
Index (of the Designated Stock Exchange):BSE	17,404.20	19,811.14	15,135.86	18835.77	20203.66	15748.98
Sectoral Index (BSE Metal as company is in Metal sector)	11,346.31	16,918.04	9,191.03	8758.32	11534.39	8485.22

(1) Where the 30th day / 90th day of a particular year falls on a holiday, the immediately following trading day has been considered unless specified otherwise

Note: High and Low prices represents Intra day High and Low prices

*Closing price as on 30th March, 2012 has been taken since 31st March, 2012 was not a trading day

[^] The last trading day for FY 2013 was March 28, 2013 and hence the closing price as on this date is considered.

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

Accounting ratio	Company	Face Value	As disclosed in the offer document	At the end of 1st FY (Mar 31, 2011)	At the end of 2nd FY (Mar 31, 2012)	At the end of 3rd FY (Mar 31, 2013)
EPS	Electrosteel Steels Ltd*	10	NA	-0.03	-0.74	-1.32
	Peer Group** \$					
	Tata Steel Limited	10	47.9	71.6	65.4	60.9
	Steel Authority of India Limited	10	16.4	11.8	9	8.7
	Uttam Galva Limited	10	8.4	6.3	6.4	5.5
	Usha Martin Limited ⁽¹⁾	1	2.9	3.3	-	0.2
	Industry; Steel - Large					
	Industry Avg**			NA	NA	NA
P/E	Electrosteel Steels Ltd#	10	NA	NA	NA	NA
	Peer Group** \$					
	Tata Steel Limited	10	10.7	8.7	6.3	6.1
	Steel Authority of India Limited	10	12.1	14.4	10.3	8.8
	Uttam Galva Limited	10	13.3	17.8	11	14.9
	Usha Martin Limited ⁽¹⁾	1	27.4	17.3	-	-
	Industry; Steel - Large					
	Industry Avg**			10.8	9.2	NA
RoNW	Electrosteel Steels Ltd*	10	NA	NA	NA	NA
	Peer Group** \$					
	Tata Steel Limited	10	14.2%	14.2%	16.4%	13.5%
	Steel Authority of India Limited	10	24.2%	22.0%	13.9%	9.2%
	Uttam Galva Limited	10	13.1%	11.9%	8.3%	7.9%
	Usha Martin Limited ⁽¹⁾	1	7.3%	7.3%	6.5	NA
	Industry; Steel - Large					
	Industry Avg**			NA	NA	NA
NAV per share	Electrosteel Steels Ltd*	10	10	10.17	9.42	6.91
	Peer Group** \$					
	Tata Steel Limited	10	416.6	487.5	541.8	541.8
	Steel Authority of India Limited	10	80.7	91.1	96.4	96.4
	Uttam Galva Limited	10	73.4	77.5	83.8	83.3
	Usha Martin Limited ⁽¹⁾	1	49.2	51.1	50.3	50.7
	Industry; Steel - Large					
	Industry Avg**			NA	NA	NA

Notes

(1) Face Value of equity Shares - Rs.1 per share

Source

* Annual report of the Company

** Capital Market Vol XXVI/09 - Jun 27 - Jul 10, 2011 for the 1st year and Capital Market Vol XXVI/11 - July 23 - Aug 05, 2012 for the 2nd year; Industry Classification - Steel - Large

PE (except as disclosed in the Prospectus) has been computed based on closing price on BSE as of end of Financial Year divided by EPS of respective Financial Year of the company

\$ Capital Market Vol. XXVIII/07 – May - June 09, 2013 for FY 2013 .for peer group.

14. Any other material information

Particulars	Date
Electrosteel Steels Ltd has informed BSE that the Blast Furnace of the Company's Steel Plant which was commission on September 27, 2010 has been temporarily shut down for synchronization of the other units of the steel plant.	13-Oct-11
The capacity of the Integrated Steel Project including the Ductile Iron Pipe Plant increased from 2.2 MTPA to 2.51 MTPA	4-Nov-11
The Company will be Signing the "Off take Agreement" with Electrosteel Castings Ltd., the Promoter of the Company for sale of Ductile Iron Pipe and Pig iron	4-Nov-11
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.	6-Feb-12
Electrosteel Steels Ltd has informed BSE that the Board of Directors has approved a) 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 and b) 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%)	8-May-12
Co 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	31-Aug-12
Electrosteel Steels Ltd has informed BSE at its 5th Annual General Meeting (AGM) held on August 07, 2012 about the following resolution passed: <ol style="list-style-type: none"> 1. Issue of fresh equity shares of the company, through preferential allotment under section 81(1A) of the Companies Act,1956 2. Raising of additional long term funds through the issue of fresh capital by way of equity shares or other convertible/non- convertible Securities of the company. 	28-Sept-12
Electrosteel Steels Ltd has informed BSE that the Board of Directors of the Company at its meeting held on May 20, 2013 have decided that, due to not achieving the "Financial Closure" of the additional loan on time as required for the project, the Company should approach its Bankers/ Lenders through the Corporate Debt Restructuring process for restructuring the Company's entire debt.	20-May-13
Electrosteel Steels Ltd has informed BSE that the Board of Directors of the Company at its meeting held on July 27, 2013, inter alia, has; <ol style="list-style-type: none"> 1. Accepted the resignation of Mr. Vikram Saraogi, Company Secretary of the w.e.f. from July 31, 2013 2. Approved the appointment of Mr. Vikash Kumar Agarwal as the new Company Secretary and Compliance Officer of the Company with effect from August 01, 2013. 	27-Jul-13
The Footnote of Clause 41 states that the Company's financial position has been adversely affected mainly due to not achieving the Financial Closure of the additional loan on time as required for the project .The Company had approached the corporate Debt Restructuring (CDR) Cell for restructuring its debts through CDR mechanism. The Flash Report was admitted in CDR-EG meeting held on 24 June 2013 and the CDR process is under active consideration	27-Jul-13

Source: BSE Filings - For further information please refer stock exchange website www.bseindia.com

All the above information is updated till August 31, 2013 unless indicated otherwise

NOTE: The above Track Record has been updated upto August 31, 2013 since three financial years have elapsed from date of listing