

ELECTROSTEEL STEELS LIMITED

CIN:L27310JH2006PLC012663

Registered Office: 801, Uma Shanti Apartments, Kanke Road, Ranchi- 834 008, Jharkhand
Tel: (0651) 2285636

Corporate Office: - G K Tower, 2nd & 3rd floor, 19 Camac Street, Kolkata -700 017

Email: eil.investors@electrosteel.com **Website:** www.electrosteelsteels.com

EXTRA-ORDINARY GENERAL MEETING NOTICE

To
The Members,

Notice is hereby given that an Extra Ordinary General Meeting (EGM) of the Members of the Company will be held on Thursday, 7th January 2016 at Forum Hall, 2nd Floor, Capitol Hill Hotel, Mahatma Gandhi Marg, Main Road, Ranchi 834001 at 4.00 P.M. to transact the following business:

Special Business:**1 INCREASE IN AUTHORISED CAPITAL OF THE COMPANY AND ALTERATION OF CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:-**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereto or reenactment thereof for the time being in force), the consent of Members of the Company be and is hereby accorded to increase the authorized share capital of the Company from existing Rs 4500,00,00,000 (Rupees Four Thousand Five Hundred crores) divided into 450,00,00,000 (Four Hundred and Fifty crores) equity shares of Rs 10 (Rupees ten) each to Rs 5000,00,00,000 (Rupees Five Thousand crores) divided into 500,00,00,000 (Five Hundred crores) equity shares of Rs 10 (Rupees Ten) each, by way of creation of an additional 50,00,00,00 (Fifty crores) equity shares of Rs 10 (Rupees Ten) each, aggregating to Rs 500,00,00,000 (Rupees Five Hundred crores) and the existing clause V of the Memorandum of Association of the Company be and is hereby substituted and replaced with the following clause:-

“V. The Authorized Share Capital of the Company is Rs 5000,00,00,000 (Rupees Five Thousand crores only) divided into 500,00,00,000 (Five Hundred crores only) equity shares of Rs 10 (Rupees Ten only) each with power to increase and reduce the capital of the Company and to divide or subdivide the shares in capital for time being into several classes and to attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to modify or abrogate of any such rights, privileges or conditions in such manner as may be permitted by the Act, or provided by the Articles of the Company for the time being in force.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary and to do all such acts, deeds and things as may be necessary, proper, or expedient to give effect to this resolution.”

2 CONVERSION OF DEBT INTO EQUITY SHARES OF THE COMPANY:-

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the applicable provisions of Sections 42, 62 and other applicable provisions of the Companies Act, 2013 (“Act”) read with Rules made therein (including any statutory modification or reenactment thereof for the time being in force), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”), the Securities and Exchange Board of

India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, applicable provisions of Uniform Listing Agreement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reserve Bank of India (RBI) Circular No. DBR.BP.BC.No.101/21.04.132/ 2014-15 dated 8th June 2015 (“RBI Circular”), applicable rules, regulations, notifications, amendments issued by Government of India, RBI and any other regulatory or other appropriate authorities and subject to such condition(s) as may be prescribed by one or more of them while granting any such approval(s), consent(s), permission(s) and/ or sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any Committee which the Board has constituted or may constitute to exercise its powers including the powers conferred under this resolution or any person duly authorised by the Board in this behalf) and enabling provisions of the Memorandum and Articles of Association of the Company and pursuant to the invocation of Strategic Debt Restructuring (SDR) by Joint Lenders Forum (JLF) in terms of RBI Circular, consent, authority and approval of the Company be and is hereby accorded to the Board to issue and allot in one or more tranches such number of equity shares of face value of Rs 10 each fully paid up as determined in accordance with RBI Circular and as more particularly set out in the explanatory statement attached, to its lenders on preferential basis in such manner and on such other terms and conditions as may be mutually agreed between the Board and the JLF so that the outstanding principal amount of Restructured debt of Rs 2507,57,11,480 (Rupees Two thousand Five hundred and seven crores fifty seven lakhs eleven thousand and four hundred and eighty only) payable to such Lenders by the Company is converted into 250,75,71,148 (Two Hundred Fifty crores seventy five lakhs seventy one thousand and one hundred and forty eight) equity shares of the Company, enabling Lenders collectively to hold 51% of the total equity share capital of the Company.

RESOLVED FURTHER THAT the Reference Date / Relevant Date in relation to pricing of the aforesaid issue of Equity Shares, in accordance with the RBI Circular and SEBI ICDR Regulations would be 27th July 2015, being the date when the JLF accorded its “In principle” approval to invoke SDR.

RESOLVED FURTHER THAT the new Equity Shares arising out of the proposed issue shall rank pari-passu in all respects with the existing Equity Shares of the Company save and except dividend that may be declared and paid in relation to the financial year in which the new Equity Shares are issued, which shall be pro-rata from the date of the allotment and shall be listed on the Stock Exchanges where the existing Equity Shares of the Company are listed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary and to do all such acts, deeds and things as may be necessary, proper, or expedient to give effect to this resolution including to modify, accept and give effect to any modifications in the terms and conditions of the matter(s) as may be required by the statutory, regulatory and other appropriate authorities (including but not limited to SEBI, RBI, JLF, etc.) and such approvals and as may be agreed by the Board in its absolute discretion without being required to seek any further consent or approval of the members or otherwise with the intent that the members shall be deemed to have given their approval thereto expressly by authority of this resolution.”

By Order of the Board

For ELECTROSTEEL STEELS LIMITED

Sd/-

Anubhav Maheshwari

Company Secretary

ACS-22829

Date: 8th December, 2015

Place: Kolkata

NOTES:

1. **The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special businesses set out to the Notice is annexed herewith.**
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF EXTRA ORDINARY GENERAL MEETING.**
3. **A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
4. All documents referred to in the notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days, upto the date of EGM. The notice is also available on the Company's website www.electrosteelsteels.com.
5. Members are requested to bring their attendance slips annexed with the Notice of EGM dated 8th December, 2015.
6. Pursuant to Sections 20 and 101 of the Companies Act, 2013, read with relevant rules made thereunder, the Companies can serve Notice for the meeting and other communications through electronic mode to those members who have registered their email address either with the Company or with the Depository. Accordingly, the Notice of EGM shall be sent electronically to all the members whose email address has been registered with the Company/Depository Participants unless any member has requested for a hard copy of the same. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, by post/courier, free of cost.
7. The Board of Directors of the Company has appointed Mr. Arun Kumar Khandelia, Partner of M/s K. Arun & Co., Practicing Company Secretaries, as Scrutinizer for conducting the voting and remote e-voting process, in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
8. **VOTING THROUGH ELECTRONIC MEANS:**
 - (a) In compliance with Regulation 44 of (SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company will provide facility for voting by electronic means for the businesses to be transacted at the EGM.
 - (b) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. 28th December, 2015 shall be entitled to avail the facility of voting through e-voting/Venue of the meeting.

The shareholders shall have one vote per equity share held by them as on the cut-off date of 28th December, 2015. The facility of e-voting would be provided for every folio / client id, irrespective of the number of joint holders.
 - (c) **VOTING THROUGH REMOTE E-VOTING:**
 - (1) The Company has engaged the services of Karvy Computershare Private Limited (Karvy) to provide e-voting facilities to the members. The facility of casting votes by a member using an electronic voting system from a place other than the venue of the Extra-Ordinary General Meeting (remote e-voting) will be provided by Karvy and the items of business as detailed in the Notice may be transacted through remote e-voting.

- (2) The remote e-voting period commences on Monday, 4th January, 2016 (9:00 a.m) and ends on Wednesday, 6th January 2016 (5:00 pm). The remote e-voting module shall be forthwith blocked by Karvy.
- (3) A member who has cast his vote by remote evoting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (4) The members who have not casted their vote through remote e-voting process can vote at venue of the EGM.
- (5) In case a Member receiving an email of the EGM Notice from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:
 - i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii) Enter the log in credentials (i.e., User ID and password). Event No. followed by Folio No./DP IDClientID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii) After entering these details appropriately, Click on "LOGIN".
 - iv) You will now reach password change Menu where in you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one uppercase (A-Z), one lowercase (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contactdetails like mobile number, email ID, etc. on first login. You may also enter a secret question andanswer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v) You need to login again with the new credentials.
 - vi) On successful login, the system will prompt you to select the "EVENT" i.e. Electrosteel Steels Limited.
 - vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned therein. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
 - ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - x) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).
 - xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: Khandeliaarun@hotmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Electrosteel Steels Limited Extra-Ordinary General Meeting"

xiii) In case a person has become the Member of the Company after the dispatch of EGM Notice but on or before the cut-off date i.e. 28th December 2015, may write to the Karvy on the email ID: varghese1@karvy.com or to Mr P.A. Varghese, Contact No. 040-33215424, at [Unit: Electrosteel Steels Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.

(6) In case of Members receiving physical copy of the EGM Notice by Post / courier [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:

- i) User ID and initial password as in the enclosed Attendance Slip.
- ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

9 VOTING AT EGM VENUE:

The facility for voting through Ballot shall be made available at the venue of the meeting and the members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.

- 10 Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and/or vote (poll) on their behalf at the Meeting.
- 11 The Scrutinizer shall after the conclusion of voting at the Extra-Ordinary General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 2 days of the conclusion of the Extra-Ordinary General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. Subject to receipt of the requisite number of votes, the resolutions shall be deemed to be passed on the date of Extra-Ordinary General Meeting.

The results declared along with the Scrutinizer Report shall be placed on the website of the Company i.e. www.electrosteelsteels.com and on Karvy's website and displayed on the Notice board of the Company at its Registered Office as well at the Corporate Office within two days of passing of the resolution at the Extra-Ordinary General Meeting and would be communicated to the Stock Exchanges where the Company shares are listed.

12. In keeping with the Ministry of Corporate Affairs "Green Initiative" measures and applicable provisions of Companies Act, 2013 read with the allied rules made thereunder, the Company hereby requests Members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, etc. from the Company electronically.

By Order of the Board

For ELECTROSTEEL STEELS LIMITED

Sd/-

Anubhav Maheshwari

Company Secretary

ACS-22829

Date: 8th December, 2015

Place: Kolkata

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.1 & 2

The Shareholders of the Company on 19th March, 2014 had approved Corporate Debt Restructuring (CDR) package on the terms & conditions as approved by Corporate Debt Restructuring Empowered Group vide letter dated 28th September, 2013.

Joint Lenders Forum (JLF), pursuant to RBI circular No. DBR.BP.BC.NO.101/21.04.132/2014-15 dated 8th June, 2015 ("RBI Circular") in their meeting held on 27th July, 2015, after review of the account were of view that as a Corrective Action Plan, change in management, as per Strategic Debt Restructuring (SDR) was a viable alternate and accorded its "In Principle" approval to invoke SDR. In terms of the said RBI Circular, 27th July 2015 is the "Reference Date", being the date when the JLF accorded its "In principle" approval to invoke SDR. Further, the JLF in its meeting held on 21st September 2015 formed an opinion to convert the whole or part of the loan and interest outstanding into equity shares in the Company, so as to acquire majority shareholding in the Company.

Thereafter, the JLF in its meeting held on 16th October, 2015 had approved conversion of part of principal amount of Restructured Debt aggregating to Rs 2507.57 crores outstanding as on 27th July 2015 (Reference Date) into 250,75,71,148 (Two Hundred Fifty crores seventy five lakhs seventy one thousand one hundred and forty eight) equity shares of the Company of Rs 10 each fully paid up, to enable lenders to collectively hold 51% or more of the equity share capital of the Company.

In terms of the requirement of Section 102 of the Companies Act, 2013 ("Act") read with Rule 13(2) of the Companies (Share Capital & Debentures) Rules, 2014 and Chapter VII of the Securities Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") the following disclosures are been made:

(1) OBJECT OF THE ISSUE

The purpose of the proposed issue and allotment of the equity shares is to convert part of principal amount of Restructured Debt into equity shares of the Company pursuant to SDR package approved by JLF.

(2) RELEVANT DATE, PRICING OF EQUITY SHARE AND NUMBER OF EQUITY SHARES TO BE ISSUED

Since the preferential allotment is to be made as per the SDR Package, the relevant date for the purpose of calculating the price of the equity share to be issued will be the date on which JLF accorded "In principle" approval to invoke SDR Package i.e. 27th July 2015. However, as per SEBI ICDR Regulations, the conversion price shall be determined in accordance with the guidelines specified by RBI for SDR Package, which shall not be less than the face value of the equity share.

In terms of the RBI Circular, conversion of outstanding debt (principal as well as unpaid interest) into equity instruments should be at a 'Fair Value' which will not exceed the lowest of the following, subject to the floor of 'Face Value':

- (a) Market value : Average of the closing prices of the instrument on a recognized stock exchange during the ten trading days preceding the 'reference date':- Rs 3.72 per equity share (on both BSE & NSE).
- (b) Break-up value: Book value per share to be calculated from the company's latest audited balance sheet (without considering 'revaluation reserves', if any) adjusted for cash flows and financials post the earlier restructuring:- Rs 4.54 per equity share.

Since the floor of the face value is more than the value computed above, the proposed issue and allotment of 250,75,71,148 equity shares will be at the face value of Rs 10 each, being the Fair Value.

The regulations of Chapter VII of SEBI ICDR Regulations shall not apply since the proposed preferential issue and allotment of equity shares to JLF is pursuant to conversion of debt as part of SDR Package and in compliance

with the following conditions –

- a) Conversion price of the debt into equity share is at the face value of Rs 10 per share.
- b) Conversion price of the debt into equity shares has been certified by two independent qualified valuers as defined under SEBI (Issue of Sweat Equity) Regulations, 2002.
- c) Equity shares shall be locked-in for a period of one year from the date of trading approval from both the stock exchanges i.e. National Stock Exchange of India Limited & Bombay Stock Exchange Limited. However, for the purpose of transferring the control, Lenders may transfer their shareholding to an entity before completion of the locked-in period subject to continuation of the lock in on such shares for the remaining period with the transferee.

(3) CLASS OF PERSONS TO WHOM THE ALLOTMENT IS PROPOSED

The proposed preferential issue and allotment of equity shares would be made to Lenders pursuant to the SDR Package, as mutually agreed between JLF and Board of Directors (hereinafter referred to as “Board”, which shall include any Committee which the Board has constituted or may constitute to exercise its powers including the powers conferred or any person duly authorised by the Board in this behalf).

(4) NAME OF THE PROPOSED ALLOTTEES AND THE PERCENTAGE OF POST PREFERENTIAL OFFER CAPITAL THAT MAY BE HELD BY THEM

The name of the proposed allottees to whom the aggregate shares upto 250,75,71,148 Equity shares of Rs 10 each aggregating to 51% of the post preferential equity capital will be issued and allotted in dematerialised form are as following, as mutually agreed between JLF and Board, subject to maximum number of shares to be allotted along with % of maximum post preferential equity capital:

SI No	Bank/Financial Institution/ Lender	Maximum Number of Shares to be allotted	% of Maximum Post Preferential Equity Capital
1	Allahabad Bank	72082921	1.40%
2	Andhra Bank	31742745	0.62%
3	Bank of Baroda	45582987	0.88%
4	Bank of India	53740762	1.04%
5	Bank of Maharashtra	36053632	0.70%
6	ICICI Bank Ltd	11943169	0.23%
7	Canara Bank	125299991	2.43%
8	Central Bank of India	36302081	0.70%
9	Corporation Bank	45116032	0.88%
10	Dena Bank	28776960	0.56%
11	Indian Bank	46134977	0.89%
12	Indian Overseas Bank	125613423	2.44%
13	J&K Bank	14894352	0.29%
14	Life Insurance Corporation of India	42494271	0.82%
15	Oriental Bank of Commerce	108171315	2.10%

Sl No	Bank/Financial Institution/ Lender	Maximum Number of Shares to be allotted	% of Maximum Post Preferential Equity Capital
16	Punjab & Sind Bank	29749179	0.58%
17	Punjab National Bank	176394965	3.42%
18	State Bank of Hyderabad	122236540	2.37%
19	State Bank of India	782128892	15.17%
20	State Bank of Mysore	58498483	1.13%
21	State Bank of Patiala	96509564	1.87%
22	State Bank of Travancore	81075907	1.57%
23	Syndicate Bank	45635562	0.89%
24	UCO Bank	122162847	2.37%
25	Union Bank of India	79747145	1.55%
26	United Bank of India	81618864	1.58%
27	Vijaya Bank	50357853	0.98%
28	HUDCO	71121465	1.38%
29	IL&FS Financial Services Ltd	4701656	0.09%
30	SREI Infrastructure Finance Ltd	120408516	2.34%
	Total	2746297056	53.27%

(5) PROPOSAL OF THE PROMOTERS, DIRECTORS OR KEY MANAGERIAL PERSONNEL OF THE COMPANY TO SUBSCRIBE TO THE OFFER.

The Promoter, Directors or Key Managerial Personnel do not have the intention to subscribe to the offer.

(6) PROPOSED TIME WITHIN WHICH THE ALLOTMENT SHALL BE COMPLETED

Since the proposed preferential issue and allotment of shares on private placement basis is pursuant to SDR Package, the requirement of completion of allotment within a period of 15 days from the date of passing the resolution as per SEBI ICDR is not applicable. However, the allotment of shares will be completed within twelve months from the date of the approval of the resolution by the shareholders of the Company.

(7) THE CHANGE IN CONTROL, IF ANY, IN THE COMPANY THAT WOULD OCCUR CONSEQUENT TO THE PREFERENTIAL OFFER

In terms of RBI Circular, lenders will hold 51% or more of the paid up capital of the Company subsequent to the issue and allotment of proposed equity shares notwithstanding the current holding of the Promoter. Consequent to the proposed preferential issue and allotment of equity shares, Lenders shall have the right to divest their holdings in the equity shares of the Company to new promoter(s) in accordance with the RBI Circular. However, as per current guidelines the management control of the Company will remain with the existing management of the Company.

(8) THE NUMBER OF PERSONS TO WHOM ALLOTMENT ON PREFERENTIAL BASIS HAVE ALREADY BEEN MADE DURING THE YEAR IN TERMS OF NUMBER OF SECURITIES AS WELL AS PRICE

During the year, the Company has not made any allotment on preferential basis to any person.

(9) JUSTIFICATION FOR ALLOTMENT PROPOSED TO BE MADE FOR CONSIDERATION OTHER THAN CASH TOGETHER WITH VALUATION REPORT OF THE REGISTERED VALUER

The proposed issue and allotment of equity shares is pursuant to the conversion of debt into equity shares in accordance to the SDR package and hence the aforesaid disclosure is not required.

(10) PRE ISSUE AND POST ISSUE SHAREHOLDING PATTERN OF THE COMPANY

The shareholding pattern of the Company as on 27th November 2015 and excludes subsequent transfers and allotments :-

Sl. No.	Category	Pre Issue		Post Issue	
		No. of Shares	%	No. of Shares	%
(A)	Promoters/Promoter Group Holdings (Indian)				
	Bodies Corporate	1089800000	45.23	1089800000	22.16
	Total Promoter Shareholding (A)	1089800000	45.23	1089800000	22.16
(B)	Non Promoter Holding				
1	Institutional Investors (Banks)	1341848	0.06	2508912996	51.03#
2	Bodies Corporate	305094430	12.66	305094430	6.21
3	Directors & Relatives	2098034	0.09	2098034	0.04
4	Indian Public	302496939	12.56	302496939	6.15
5	Others (Including NRIs)	708403772	29.40	708403772	14.41
	Sub Total (B)	1319435023	54.77	3827006169	77.84
	Total (A + B)	2409235023	100.00	4916806171	100.00

includes pre-preferential shareholding

The figures shown in the table assumes:

- Issue and allotment of equity shares aggregating 250,75,71,148 as may be mutually agreed between JLF and Board.
- The holdings of other shareholders do not change.

In terms of SEBI (Substantial Acquisition of Shares and Take Over) Regulations, 2011, acquisition of equity shares upto 51% of the paid up capital of the Company by JLF pursuant to conversion of their debt into equity shares as part of the SDR Scheme in accordance with guidelines specified by RBI will be exempted from the obligation of making Open Offer. Hence, JLF is not required to make Open Offer consequent upon allotment of proposed issue and allotment of equity shares.

In terms of RBI Circular and pursuant to the provisions of Sections 62 and 42 of the Act read with Rules made thereunder as well as withdrawal of earlier proposal for issue of shares to Electrosteel Castings Limited, approved by shareholders on 23/02/2015, conversion of debt into equity pursuant to SDR Package needs to be approved by the shareholders to enable JLF to exercise the option effectively. Accordingly, the Board in their meeting held on 8th December 2015, has considered conversion of debt aggregating to Rs 2507.57 crores into equity shares of Rs 10 each pursuant to the SDR package and recommended the same for approval of the shareholders by way of special resolution. Pursuant to Uniform Listing Agreement under SEBI Listing Obligations, the outcome of the Board meeting held on 8th December 2015 is available on the company website www.electrosteelsteels.com under "Investors Section". The private placement offer letter shall be sent

to the lenders as detailed herein above in accordance with and in compliance with the Act read with Rules made therein.

At present the authorized share capital of the Company is Rs. 4,500 crores divided into 450,00,00,000 equity shares of Rs. 10/- each. To accommodate the aforesaid issue and allotment of equity shares pursuant to the SDR Package, it is proposed that the authorized capital be increased from Rs. 4500 crores to Rs. 5000 Crores and consequential amendments be made to the existing clause V of Memorandum of Association. The approval of the member is sought for increase in authorized capital of the Company and consequential amendments to the Memorandum and Articles of Company by way of ordinary resolution.

The draft copy of the Memorandum of Association and all other documents mentioned in the explanatory statement and resolutions, will be available for inspection at the Registered Office as well at the Corporate Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day except Saturday and Sunday until the date of the meeting and also be available for inspection at the meeting.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financial or otherwise in the aforesaid resolutions.

The Board recommends the Ordinary Resolution and Special Resolution as set out in the Notice for approval of the members.

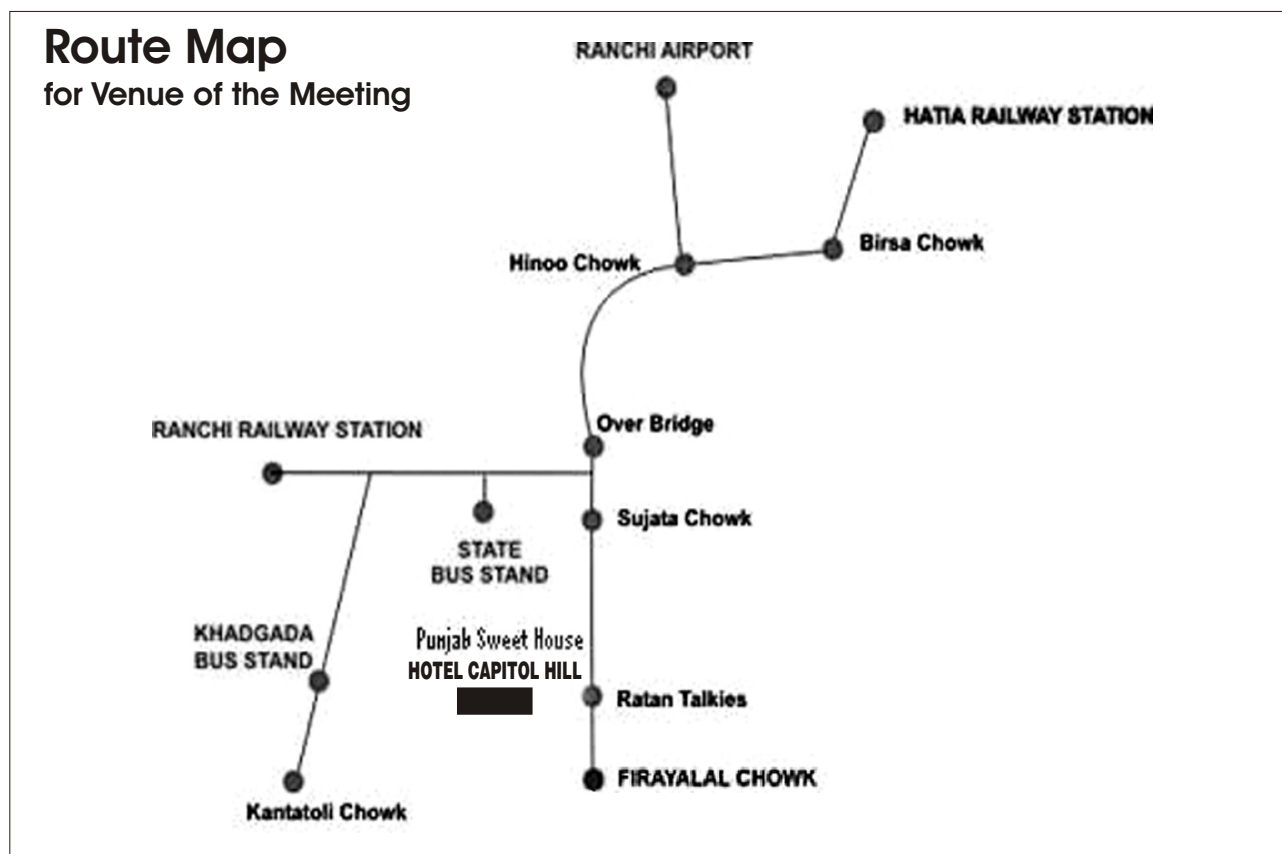
By Order of the Board

For ELECTROSTEEL STEELS LIMITED

Sd/-

Anubhav Maheshwari
Company Secretary
ACS-22829

Date: 8th December, 2015
Place: Kolkata





ELECTROSTEEL STEELS LIMITED

EXTRA-ORDINARY GENERAL MEETING

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of Companies (Management and Administration) Rules, 2014]

CIN: L27310JH2006PLC012663

Name of the Company: **ELECTROSTEEL STEELS LIMITED**

Registered Office: **801, Uma Shanti Apartments, Kanke Road, Ranchi - 834 008, Jharkhand**

Name of member (s):
Registered Address:
E-mail Id:
Folio No/Client ID:
DP ID:

I/We, being the member(s) of Shares of **Electrosteel Steels Limited**, hereby appoint

- Name:
Address:
E-mail Id:
Signature:, or failing him
- Name:
Address:
E-mail Id:
Signature:, or failing him
- Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra Ordinary General Meeting of the Company, to be held on Thursday, 7th January 2016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	For	Against
Special Business			
1	Increase in Authorised Capital of the Company and alteration of the Capital Clause of the Memorandum of Association.		
2	Conversion of Debt into Equity Shares of the Company .		

Signed this day of 2015/2016

Signature of Shareholder:

Signature of Proxy holder(s):

Affix a Revenue Stamp

Note:

- This form of Proxy in order to be effective should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.**
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Extra Ordinary General Meeting dated 8th December, 2015.