

ELECTROSTEEL

CASTINGS LIMITED



60TH ANNUAL REPORT
2014-2015

Corporate Information

Chairman	Mr. Pradip Kumar Khaitan
Directors	Mr. Binod Khaitan Mr. Naresh Chandra Dr. Jamshed Jiji Irani Mr. Shermadevi Yegnaswami Rajagopalan Ms. Nityangi Kejriwal Mr. Ram Krishna Agarwal
Managing Director	Mr. Umang Kejriwal
Joint Managing Director	Mr. Mayank Kejriwal
Whole-time Directors	Mr. Uddhav Kejriwal Mr. Vyas Mitre Ralli Mr. Mahendra Kumar Jalan
Chief Financial Officer	Mr. Gautam Jhunjhunwala
Company Secretary	Mr. Prem Kumar Bafana
Auditors	Lodha & Co. Chartered Accountants
Solicitors	Khaitan & Co. LLP, Kolkata
Bankers	Axis Bank Limited Bank of India DBS Bank Limited Export-Import Bank of India HDFC Bank Limited ICICI Bank Limited IDBI Bank Limited Kotak Mahindra Bank Limited IndusInd Bank Limited Punjab National Bank Standard Chartered Bank State Bank of India Syndicate Bank Yes Bank Limited
Works	Khardah, West Bengal Haldia, West Bengal Bansberia, West Bengal Elavur, Tamil Nadu
Corporate Office	G. K. Tower 19, Camac Street Kolkata 700 017 Tel. : 033 2283 9990 Fax : 033 2289 4339 E-mail Id : companysecretary@electrosteel.com Website : www.electrosteel.com
Registered Office	Rathod Colony, Rajgangpur Dist. Sundergarh Odisha 770 017
Corporate Identification Number	L27310OR1955PLC000310

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Report of the Directors

Dear Members,

Your Directors are pleased to present the Sixtieth Annual Report together with Audited Annual Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31 March 2015.

FINANCIAL RESULTS

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Revenue from Operations	2153.78	2186.88	2401.83	2459.16
Other Income	30.81	19.70	62.18	28.66
Total Revenue	2184.59	2206.58	2464.01	2487.82
Profit before Tax (PBT)	96.34	135.97	143.51	119.57
Less : Tax including Deferred Tax	23.67	35.41	27.23	38.07
Profit after Tax (PAT)	72.67	100.56	116.28	81.50
Add : Share of Profit/(Loss) in Associates	-	-	(232.06)	(96.61)
Add/(Less) : Share of Unrealised Profit	-	-	(0.18)	(0.05)
Net Profit/(Loss) before Minority Interest	72.67	100.56	(115.96)	(15.16)
Minority Interest	-	-	(0.13)	(0.77)
Net Profit/(Loss) for the year	72.67	100.56	(116.09)	(15.93)
Add : Profit brought forward from previous year	182.10	186.69	(59.91)	61.26
Less : Earlier year adjustment	-	-	0.68	-
Amount available for appropriation	254.77	287.25	(176.68)	45.33
Appropriations :				
Less : Transfer to Debenture Redemption Reserve	3.50	54.00	3.50	54.00
Less : Transfer to General Reserve	25.00	25.00	25.00	25.00
Less : Proposed Dividend including tax thereon	27.92	26.15	27.92	26.15
Less : Amount Transferred to Legal Reserve	-	-	0.08	0.09
Total	56.42	105.15	56.50	105.24
Surplus carried to Balance Sheet	198.35	182.10	(233.18)	(59.91)

DIVIDEND

The Directors are pleased to recommend a dividend of Re.0.65 per Equity Share of face value of Re.1 each, i.e. 65%, for the Financial Year ended 31 March 2015. This dividend is subject to the approval of the Members at the ensuing Annual General Meeting (AGM). If approved, the total outlay on account of dividend for the Financial Year 2014-15 would amount to Rs.27.92 Crores

(including Rs.4.72 Crores towards Dividend Distribution Tax) as compared to Rs.26.15 Crores (including Rs.3.80 Crores towards Dividend Distribution Tax) paid for the Financial Year 2013-14.

TRANSFER TO RESERVES

The Company proposes to transfer an amount of Rs.3.50 Crores to Debenture Redemption Reserve Account and an amount of Rs.25.00 Crores to the General Reserve. An amount of Rs.198.35 Crores is proposed to be retained in the Statement of Profit and Loss.

OPERATIONS

The Company's Revenue from Operations on standalone basis decreased marginally by around 1.51% from Rs.2,186.88 Crores in 2013-14 to Rs.2,153.78 Crores in 2014-15. Export Sales decreased by around 23.83% from Rs.989.21 Crores in 2013-14 to Rs.753.46 Crores in 2014-15, due to stiff competition faced by the products of the Company in the overseas markets. The Company's profit (PAT) for the Financial Year was Rs.72.67 Crores as against Rs.100.56 Crores for the previous Financial Year due to additional Coal levy of Rs.13 Crores being charged to the Profit and higher depreciation of Rs.16 Crores due to change in rates under Schedule II of the Companies Act, 2013. An additional levy at the rate of Rs.295 per ton of Coal extracted has been paid as per the terms of the Ordinance promulgated by Government of India, Ministry of Law & Justice dated 21 October 2014 in pursuance of the Order dated 24 September 2014 issued by Hon'ble Supreme Court of India cancelling the allocation of Parbatpur Coal Block to the Company with effect from 31 March 2015.

The Revenue from Operations on consolidated basis, for the year ended 31 March 2015 was marginally down by 2.33% from Rs.2,459.16 Crores in 2013-14 to Rs.2,401.83 Crores in 2014-15. The consolidated loss after tax increased to Rs.116.09 Crores for the Financial Year as against Rs.15.93 Crores in the previous year mainly on account of losses of associates.

During the year under review, the production of Ductile Iron (DI) Pipes was 2,77,317 MT as against 2,81,239 MT in the previous year. Production of DI Fittings during the year was 6,027 MT as compared to 5,992 MT in the previous year. The production of Cast Iron (CI) Pipes at Elavur was 32,041 MT as against 25,848 MT in the previous year.

During the last quarter of the financial year 2014-15, the Company partly commissioned its new DI Fittings Plant at Haldia. The operations are expected to stabilise during the current financial year.

The Company continues to provide special attention towards improvement in production and productivity with higher energy efficiency. Further, to delight both International and Indian customers, the Company has added a number of product variants to its existing product base during the year 2014-15.

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report and there has been no change in the nature of business.

Report of the Directors (Contd.)

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's business, international operations, internal controls and their adequacy, risk management systems including a section on 'Risk Management' and other material developments during the financial year 2014-15 is annexed marked as Annexure 1 forming part of this Report.

FUTURE PROSPECTS

Demand for Ductile Iron Pipes and Fittings in the domestic market continues to be bullish. The Company continues to maintain its dominant position in the market against competitors. The Company, after entrenching itself in the prestigious Western European markets, is looking to expand in Eastern Europe. The European Commission has started Anti-Dumping and Anti Subsidy investigation on import of Ductile Iron Pipes manufactured in India, which the Company is stoutly defending. New markets are being opened up in South America and Africa. The Company will continue to maintain its emphasis on the Gulf markets where it has a historically strong presence.

SHARE CAPITAL

In order to meet the working capital requirements of the Company and for general corporate use for the Company's growth, the Company had issued and allotted 1,31,38,000 Equity Shares of face value of Re.1/- each at a premium of Rs.18.03 per Equity Shares on preferential basis to the Promoter Companies during the year under review. These Equity Shares rank pari passu in all respect with the existing Equity Shares of the Company.

The Issued, Subscribed and Paid up Share Capital of the Company consequently, stood at Rs.35,69,55,322/-, comprising of 35,69,55,322 Equity shares of Re.1/- each as on 31 March 2015.

FINANCE

Global Depository Receipts

Global Depository Receipts (GDRs) of the Company were delisted from London Stock Exchange on 26 February 2015, as the trading volume of GDRs was minimal. A total of 21,05,000 GDRs are outstanding as on 31 March 2015.

Debentures

As on 31 March 2015, the Company has the following Secured Redeemable Non-Convertible Debentures (NCDs) listed on the National Stock Exchange of India Limited:

Series of Debentures	Amount (Rs. in Crore)
10.75%	120
11.00%	50
12.50%	100
Total	270

The Debenture Trustee for each of the aforesaid Series of Debentures is as follows:

M/s. Axis Trustee Services Limited,
2nd Floor, Axis House, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli, Mumbai 400 025
Contact Person : Chief Operating Officer
Phone : (022) 2425 5202
Fax : (022) 2425 4200
Email Id: debenturetrustee@axistrustee.com

The Company has paid interest on the aforesaid debentures on time and nothing is payable as on date. There was a partial redemption of 10.75% Series of NCD's amounting to Rs.39.60 Crores after the close of the financial year ended 31 March 2015 as per the terms of issue of these NCDs.

Warrants

The Company had issued 3,35,68,312 Warrants in the year 2010 entitling the holders to convert into one Equity Share of Re.1/- each at an exercise price of Rs.59.58 per share till 7 February 2015. However, all these outstanding warrants expired on 7 February 2015 due to non-exercise of options by the warrant holders within the tenure of the warrants.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

The Company was allotted Parbatpur Coal Block on 7 July 2005 by the Ministry of Coal.

The Company was also allotted North Dhadhu Coal Block on 13 January 2006 by the Ministry of Coal and according to the terms of allocation, the Company entered into a joint venture agreement with Adhunik Alloys & Power Limited, Jharkhand Ispat Pvt. Limited and Pawanjay Steel & Power Limited for mining of coal.

During the year under review, in pursuance of the Order dated 24 September 2014 issued by Hon'ble Supreme Court of India (the Order) followed by the Ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated 21 October 2014 (the Ordinance) for implementing the Supreme Court Order, allotment of Parbatpur Coal Block (coal block/mines) to the Company which was under advanced stage of implementation, has been cancelled with effect from 1 April 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said Block till 31 March 2015. Accordingly, the coal block/mine was handed over to Bharat Coking Coal Ltd as per the directions from Coal India Ltd with effect from 1 April 2015.

The claim for compensation amounting to Rs.1,220.71 Crores till 31 March 2014 and Rs.68.13 Crores during the year under review till the handing over the mines is yet to be received by the Company. The Company, pending acceptance and recovery of the claim, has filed a petition before the Hon'ble High Court at Delhi, hearing whereof has concluded and judgement is awaited.

Further in terms of the aforesaid Hon'ble Supreme Court Order, North Dhadhu Coal Block allotted in joint venture with other companies, has also been cancelled w.e.f. 24 September 2014. The Company barring initial contribution of Rs.8.23 Crores has not made any further investments in the

Report of the Directors (Contd.)

said joint venture company. In view of the management, the compensation to be received in terms of the Ordinance is expected to cover the cost incurred by the joint venture companies.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to the Financial Statements are considered to be commensurate with the size, scale and complexity of the operations of the Company. All operations are executed through Standard Operating Procedures (SOPs) in all functional activities for which key manuals have been put in place. The manuals are updated and validated periodically. Approval of all transactions is ensured through a preapproved Delegation of Authority (DOA) Schedule which is in-built into the SAP system. DOA is reviewed periodically by the management and compliance of DOA is regularly checked and monitored by the Auditors. The Company's books of accounts are maintained in SAP and transactions are executed through SAP (ERP) setups to ensure correctness/ effectiveness of all transactions, integrity and reliability of reporting.

The Internal Auditors of the Company, M/s. Chaturvedi & Company, an independent firm of Chartered Accountants, monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating system, accounting procedures and policies at all locations of the Company. Based on the Internal Audit Reports, process owner takes corrective actions in their respective areas and thereby strengthens the controls. The Report is presented before the Audit Committee for review at regular intervals.

DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company had the following Subsidiaries, Associate Companies and Joint Ventures as on 31 March 2015:

Sl. No.	Name of the Company	Status
1.	Electrosteel Algeria SPA	Subsidiary
2.	Electrosteel Castings (UK) Limited	Subsidiary
3.	Electrosteel Castings Gulf FZE	Subsidiary
4.	Electrosteel Doha for Trading LLC	Subsidiary
5.	Electrosteel Europe S.A.	Subsidiary
6.	Electrosteel Trading S.A, Spain	Subsidiary
7.	Electrosteel USA, LLC	Subsidiary
8.	Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	Subsidiary
9.	Mahadev Vyapaar Pvt Ltd	Subsidiary
10.	Electrosteel Bahrain Holding S.P.C. Company	Subsidiary
11.	WaterFab LLC (subsidiary of Electrosteel USA, LLC)	Subsidiary

S. No.	Name of the Company	Status
12.	Electrosteel Steels Limited	Associate Company
13.	Electrosteel Thermal Power Limited	Associate Company
14.	Srikalahasthi Pipes Limited (Formerly, Lanco Industries Limited)	Associate Company
15.	Domco Private Limited	Joint Venture
16.	North Dhadhu Mining Company Private Limited	Joint Venture

M/s. Electrosteel Bahrain Holding S.P.C. Company, Bahrain was incorporated as a subsidiary of the Company and M/s. Singardo International Pte Ltd., Singapore ceased to be the subsidiary during the year under review. The Company has formulated a policy on determining material subsidiaries of the Company, which has been uploaded on the Company's website at the web link: <http://www.electrosteelcastings.com/investors/pdf/policy-on-material-subsiadiary.pdf>.

A Report on performance and financial position of each of the Company's subsidiaries, associate companies and joint ventures for the financial year ended 31 March 2015 pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the Act) read with Rule 8 of Companies (Accounts) Rules, 2014 is given in Annexure - 2. The statement containing salient features of financial statement of subsidiaries, associate companies and joint ventures for the financial year ended 31 March 2015 pursuant to the said Section read with Rule 5 of the said Rules are given in the financial statements.

STATUS OF MERGER OF MAHADEV VYAPAAR PVT LTD

The Board of Directors of the Company on 11 August 2014 approved the Scheme of Amalgamation ("the Scheme") between the Company and M/s. Mahadev Vyapaar Pvt Ltd., a wholly owned subsidiary of the Company with effect from 1 April 2014 ("Appointed Date") to obtain operational synergies and also to pool resources of both the companies for growth and development of business. The Company has received Observation letters from both BSE Limited and the National Stock Exchange of India Limited dated 26 February 2015. Separate applications made in this regard by the Company and the subsidiary are pending before Hon'ble High Court of Orissa, Cuttack and Hon'ble Calcutta High Court, respectively.

REPORT ON CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement. A Report on Corporate Governance & Shareholder Information for the year under review together with the Auditors' Certificate thereon is annexed as Annexure 3 forming part of this Report.

The Company had also adopted a "Code of Conduct", as required under Clause 49 of the Listing Agreement and all Directors and Senior Management have affirmed compliance with the Code for 2014-15. A certificate, signed by the Managing Director, affirming compliance of Directors & Senior Management, forms part of the Report on Corporate Governance.

Report of the Directors (Contd.)

MEETINGS OF THE BOARD

The details of Board Meetings held during the financial year 2014-15 have been furnished in the Corporate Governance Report forming part of this Report and annexed at Annexure 3.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Pradip Kumar Khaitan, Mr. Binod Khaitan, Mr. Naresh Chandra, Dr. Jamshed Jiji Irani and Mr. Bhaskara Nageswararao Mandavilli were appointed as Independent Directors of the Company for tenure of five years with effect from 28 August 2014. The status of Mr. Naresh Chandra had changed from an Independent Director to a Non Executive and Non Independent Director with effect from 10 September 2014. Mr. Bhaskara Nageswararao Mandavilli, an Independent Director resigned from the Board with effect from 27 March 2015. The Board places on record its sincere appreciation for the valuable contributions made by Mr. Bhaskara Nageswararao Mandavilli during the tenure of his office as a Director of the Company.

Mr. Vyas Mitre Ralli and Mr. Mahendra Kumar Jalan were appointed as Whole-time Directors of the Company for a period of 5 years with effect from 21 December 2014 and 22 January 2015, respectively and they are liable to retire by rotation as per the provisions of Section 152 of the Act.

Mr. Mahendra Kumar Jalan, retires by rotation at the forthcoming Annual General Meeting (AGM) and being eligible, offer himself for re-appointment.

Mr. Rama Shankar Singh, Director of the Company resigned from the close of business hours on 31 March 2015 and Ms. Nityangi Kejriwal was appointed as a Director from the close of business hours on 31 March 2015 to fill the casual vacancy caused by the resignation of Mr. Singh. The Board places on record its sincere appreciation for the contributions made by Mr. Rama Shankar Singh during the tenure of his office as a Director of the Company.

Ms. Kejriwal holds office only upto this AGM pursuant to the provisions of Section 161(4) of the Act since Mr. Singh would have retired by rotation at this AGM if he had not resigned from his office. The Company has received a notice under Section 160 of the Act from a Member proposing her appointment as a Director of the Company and the same has been included as an item in the notice of AGM for consideration of the Members.

The Board had appointed Mr. Jinendra Kumar Jain as Additional Director (Independent) with effect from 18 June 2015. However, Mr. Jain resigned from his office with effect from 30 July 2015. The Board appointed Mr. Ram Krishna Agarwal, as an Additional Director (Independent) with effect from 30 July 2015 for a term of 5 years, subject to the approval of Members. A declaration has been received from Mr. Agarwal that he satisfies the criteria of independence as per Section 149(6) of the Act. The Company has also received a notice from a Member proposing his appointment as an Independent Director of the Company and the same has been included in the notice of ensuing AGM.

Brief resume of the Directors who are subject to appointment/re-appointment at the ensuing AGM, nature of their expertise in their specific functional areas, details of directorships in other companies and the membership of Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are given in the Notice for the forthcoming AGM.



The Board, at its meeting held on 12 May 2015, had appointed Mr. Gautam Jhunjhunwala as the Chief Financial Officer of the Company under the provisions of Section 2(51) and 203 of the Act read with Rules made thereunder.

Mr. Prem Kumar Bafana has been appointed as Company Secretary of the Company with effect from 15 December 2014. Ms. Kavita Bhavsar has resigned from the post of Company Secretary with effect from 6 December 2014. The Board also places on record its appreciation for the contributions made by Ms. Kavita Bhavsar during the tenure of her office as the Company Secretary of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) and 134(5) of the Act, the Directors state that :

- a) in the preparation of annual accounts for the Financial Year ended 31 March 2015, the applicable accounting standards had been followed and there were no material departures requiring any explanation;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared annual accounts on a 'going concern' basis;
- e) they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INDEPENDENT DIRECTORS

Declaration by Independent Directors

Mr. Pradip Kumar Khaitan, Mr. Binod Khaitan, Dr. Jamshed Jiji Irani and Mr. Ram Krishna Agarwal, Independent Directors have given declarations that they fulfil the criteria of independence as laid down in Section 149(6) of the Act and the Rules made thereunder and Clause 49 of the Listing Agreement.

Familiarisation Programme for the Independent Directors

The Company, on 9 February 2015 had conducted a Familiarisation Programme for the Independent Directors of the Company in order to familiarise them with their roles, rights, responsibilities in the Company. The Familiarisation Program is hosted on the website of the Company and the

Report of the Directors (Contd.)

web link for the same is <http://www.electrosteelcastings.com/investors/pdf/familiarisation-independent.pdf>.

DETAILS OF BOARD COMMITTEES & ADOPTION OF POLICIES

There are 5 Board Committees as on 31 March 2015 viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Banking and Authorisation Committee.

The details of composition, terms of reference and meetings held and attended by the Committee members of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee are provided in the Corporate Governance Report annexed as Annexure 3.

The Banking and Authorisation Committee comprises of Mr. Binod Khaitan as the Chairman, Mr. Shermadevi Yegnaswami Rajagopalan, Mr. Mayank Kejriwal and Mr. Uddhav Kejriwal as members as on 31 March 2015. The terms of reference for the Committee include taking various decisions pertaining to the opening or closing of bank accounts of the Company, changing the signatories of the Bank Accounts, subscribing/purchasing/selling/dealing in shares and securities and availing broking services, making loans from time to time to subsidiary companies/Joint Ventures/Associates for its working capital requirement and any other work related to day-to-day operations of the Company.

Vigil Mechanism

The Company has established a Vigil Mechanism and adopted Whistle Blower Policy in compliance with provisions of Section 177(9) of the Act and Clause 49 of the Listing Agreement for the Directors and employees to report genuine concerns and grievances. This mechanism provides adequate safeguards against victimisation of employees and directors and also provide for direct access to the Chairperson of the Audit Committee. The said Policy is available at the Company's website and can be accessed through a web link i.e. <http://www.electrosteelcastings.com/investors/pdf/vigil.pdf>.

Nomination and Remuneration Policy

The Board has adopted a Nomination and Remuneration Policy recommended by Nomination and Remuneration Committee in terms of the provisions of Section 178 of the Act and Clause 49 of the Listing Agreement. The Nomination and Remuneration Policy has been annexed to this Report as Annexure 4.

Corporate Social Responsibility Policy

The Board has constituted a Corporate Social Responsibility (CSR) Committee on 10 May 2014 as per the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The Board has adopted a Corporate Social Responsibility Policy (CSR Policy) formulated by the CSR Committee in accordance with the provisions of the Act. A Report on CSR activities/initiatives which includes the contents of the CSR Policy, composition of the Committee



and other particulars specified in Annual Report on CSR as per Section 135 of the Act read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are disclosed as Annexure 5 to this Report.

Policy on Board Diversity and Succession Plan

In compliance with the provisions of Clause 49 of the Listing Agreement, a Policy on Board Diversity and Succession Plan was devised by the Nomination and Remuneration Committee to ensure adequate diversity in the Board of Directors of the Company.

FORMAL ANNUAL EVALUATION AND ITS CRITERIA

The Nomination and Remuneration Committee of the Board has formulated certain criteria for annual evaluation of Directors pursuant to Clause 49 of the Listing Agreement and as per requirements of Section 134 of the Act are disclosed below -

- A. The Board shall evaluate the roles, functions, duties of the Independent Directors (IDs) of the Company. Each ID shall be evaluated by all other Directors but not by the Director being evaluated. The Board shall also review the manner in which IDs follow guidelines of professional conduct as specified in Schedule IV to the Act. The adherence of Section 149 and aforesaid Schedule IV by the IDs shall also be reviewed by the Board.
- B. Performance review of all the Non Independent Directors of the Company on the basis of the activities undertaken by them, expectations of Board and level of participation.
- C. Performance review of Chairman of the Company in terms of the level of competence of Chairman in steering the Company.
- D. The review and assessment of the flow of information by the Company to the Board and the manner in which deliberations take place, the manner of placing Agenda and contents therein.
- E. The review of the performance of Directors individually, its own performance as well as evaluation of working of its Committees shall be carried out by the Board.
- F. On the basis of performance evaluation, it shall be determined by the Nomination & Remuneration Committee & Board whether to extend or continue the term of appointment of ID subject to all other applicable compliances.

Meeting of Independent Directors : The Independent Directors of the Company held a separate meeting on 9 February 2015 without the attendance of Non Independent Directors and members of management for evaluation of the performance of Non Independent Directors, the Board as a whole and Chairman of the Company and for consideration of such other matters as required under the provisions of the Act and Clause 49 of the Listing Agreement.

Further, pursuant to the provisions of Section 134(3)(p) of the Act, the Board had carried out an annual evaluation of its own performance, the performance of Directors individually as well as evaluation of the performance and working of its Committees at its meeting.

Report of the Directors (Contd.)

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

The statement pertaining to particulars of employees including their remuneration as required to be reported under the provisions of Section 197(12) of the Act, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) are provided in Annexure 6A to this Report. However, as per the provisions of Section 136 of the Act, the Reports and Accounts for the Financial Year 2014-15 are being sent to the Members and other entitled thereto, excluding this statement. This statement is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

The disclosures pertaining to the remuneration of Directors, KMP and employees as required under Section 197(12) of the Act, read with Rule 5(1) of the Rules are provided in Annexure 6B to this Report.

PREVENTION OF INSIDER TRADING & CODE OF CONDUCT FOR FAIR DISCLOSURE

The Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting Trading by Insiders in securities of the Company. The Code requires pre-clearance for dealing in the Company's securities and prohibits the purchase or sale of securities of the Company by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Company has also adopted a Code of Practices and Procedures for Fair Disclosure and Conduct of Unpublished Price Sensitive Information to formulate a stated framework and policy for prompt and fair disclosure of events and occurrences that could impact price discovery in the market for securities of the Company.

AUDITORS AND AUDITORS' REPORT

M/s. Lodha & Co., Chartered Accountants, (Firm Registration No.301051E) were appointed as Auditors of the Company for a tenure of three years i.e. from the conclusion of the 59th Annual General Meeting (AGM) till the conclusion of the 62nd AGM of the Company. This appointment is subject to ratification by the Members at every AGM held after appointment during their tenure of office.

As required under Section 139 of the Act, the Company has received a written consent from the Auditors to such continued appointment and also a certificate from them to the effect that their appointment, if ratified, would be in accordance with the conditions prescribed under the Act and the Rules made thereunder, as may be applicable. The necessary resolution is being placed for Members ratification at the ensuing AGM.

The para wise responses of the management to the opinion/remarks/observations made in the Independent Auditors' Report are given below :



1. As regards the Qualified Opinion expressed by the Auditors in their Report and its consequential references made in para nos. (d), (e), (g) and (h)(i) of their Report, attention is drawn to Note nos. 2.33a and 2.33b of the Standalone Financial Statement, which are self-explanatory;
2. On the Auditors' observation made in para (i)(a) of the Annexure to the Auditors' Report, your Directors wish to inform that all necessary steps are being taken to regularise the maintenance of proper records for furniture and fixtures;
3. On the Auditors' observation made in para (xi) of Annexure to the Auditors' Report, your Directors have to clarify that External Commercial Borrowings (ECB) funds are being used as per the progress of the respective project(s) for which these amounts were borrowed and pending the completion of the project(s), the balance amounts could only be parked in fixed deposits as per the terms of ECB.

COST AUDITORS

The Companies (Cost Records and Audit) Amendment Rules, 2014 as published in Official Gazette on 31 December 2014 pursuant to sub-sections (1) and (2) of Section 469 and Section 148 of the Act, requires audit of the cost accounting records of the Company relating to Pig Iron, DI Pipe, DI Fittings, CI Pipe, Coke, Dolomite, Sponge Iron & Power Generating units for every Financial Year.

The Cost Audit Report and a Compliance Report for the Financial Year 2013-14 were filed on 8 September 2014 which was within stipulated due date.

M/s. S. G. & Associates (FRN 000138), Cost Accountants, Kolkata, has been re-appointed as Cost Auditors for Financial Year 2015-16 for all the applicable units and products of the Company with an intimation to the Ministry of Corporate Affairs. The remuneration proposed to be paid to them for the Financial Year 2015-16 requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

SECRETARIAL AUDITORS

In terms of Section 204 of the Act and Rules framed thereunder, M/s. S. M. Gupta & Co., Practicing Company Secretaries were appointed Secretarial Auditors of the Company for the financial year 2014-15. The report of the Secretarial Auditors is enclosed as Annexure 7 to this Report. An observation made by the Secretarial Auditors that the Company is yet to appoint Chief Financial Officer, to which the Directors wish to inform that Mr. Gautam Jhunjhunwala has been appointed as the Chief Financial Officer with effect from 12 May 2015.

INTERNAL AUDITORS

In terms of the provisions of Section 138 of the Act, M/s. Chaturvedi & Company, an independent firm of Chartered Accountants were appointed as Internal Auditors for the financial year 2014-15. The Audit Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee inter-alia reviews Internal Audit Reports.

Report of the Directors (Contd.)

The Board has re-appointed M/s. Chaturvedi & Company as Internal Auditors for the financial year 2015-16 under the provisions of Section 138 of the Act.

PUBLIC DEPOSITS

During the financial year 2014-15, your Company has not accepted any deposit within the meaning of Sections 73 and 76 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014.

LOANS, INVESTMENTS, GUARANTEES & SECURITIES

The particulars of loans given, investments made, guarantees given or securities provided along with the purpose for which the loan or guarantee or security is/was proposed to be utilised by the recipient as per the provisions of Section 186(4) of the Act are given in Note nos. 2.38.1 to the Standalone Financial Statements.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return as on the Financial Year ended 31 March 2015 in Form MGT 9 as prescribed under the said Rules is annexed as Annexure 8 to this Report.

AWARDS AND ACCOLADES

EEPC INDIA, Eastern Region has given "AWARD FOR EXPORT EXCELLENCE" to Electrosteel Castings Limited for star performers as large enterprise in the product group of "Sanitary and Industrial Castings" for its outstanding contribution to engineering exports during the year 2012-13.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place a Policy in line with requirements, inter-alia, of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. The Company has not received any complaint of sexual harassment during the financial year 2014-15.

RELATED PARTY TRANSACTIONS

The Company has entered into contracts/arrangements with the related parties during the Financial Year 2014-15 which were in the ordinary course of business and on arm's length basis. Thus provisions of Section 188(1) of the Act are not applicable and the disclosure under AOC 2 is not required. However, your attention is drawn to the Related Party disclosure in Note no 2.38 of the Standalone Financial Statements.

The Board has approved a policy for Related Party Transactions which has been hosted on the website of the Company. The web-link for the same is <http://www.electrosteelcastings.com/investors/pdf/related-party-transaction-policy.pdf>. The Related Party Transactions, wherever necessary, are carried out by the Company as per this Policy.



There were no materially significant related party transactions entered into by the Company during the year, which may have a potential conflict with the interest of the company at large. There were no pecuniary relationship or transactions entered into by any Independent Director with the Company during the year under review.

RISK MANAGEMENT POLICY

The Company has a well-established Risk Management Policy to identify and evaluate business risks. This framework seeks to create transparency, minimise adverse effect on the business objectives and enhance Company's competitive advantage. The key business risks identified by the Company are economic risk, competitor risk, industry risk, environment risk, operational risk, foreign exchange risk etc. and it has proper mitigation process for the same. The Audit Committee reviews this policy periodically. A statement indicating development and implementation of Risk Management Policy for the Company including identification of elements of risk, if any, is provided as a part of Management Discussions & Analysis Report at Annexure 1 which forms a part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo required to be disclosed under Section 134 the Act, read with Rule 8 of Companies (Accounts) Rules, 2014 is annexed as Annexure 9 and forms a part of this Report.

ACKNOWLEDGEMENT

Your Directors record their sincere appreciation for the assistance and co-operation received from the banks, financial institutions, government authorities, and other business associates and stakeholders. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
DIN : 00004821

Place : Kolkata
Date : 30 July 2015

Management Discussion and Analysis Report

A. INDUSTRY STRUCTURE AND DEVELOPMENT

« Overview

The Company is engaged in the business of manufacturing Ductile Iron (DI) Pipes, Ductile Iron Fittings (DIF) and Cast Iron (CI) Pipes. The Company is the first to set up a Ductile Iron Pipe Plant in India. Today it is India's leading pipeline solution provider. It has a strong brand presence around the Globe. Since 1994, the Company has maintained its edge over its competitors.

« Industry Outlook

India has become the second largest urban system in the world. Nearly thirty percent of the total Indian population, now lives in urban areas and by 2030, an estimated 40 percent of Indians will live in cities. India has intermittent drinking water supplies and poor transmission and distribution networks for water. Now there is new emphasis on pipes in rural water supply as well.

Industry sources estimate that the Indian water supply and distribution market is worth approximately \$330 million. According to a recent government assessment, the water requirement for domestic and industrial use will increase from the current 80 billion cubic meters (bcm) to 120 bcm by 2025. The overall water market is growing at 15-20 percent annually, with the industrial and drinking water segments demonstrating even higher growth rates.

Nationwide infrastructural and real estate development, urbanisation, irrigation to drive agricultural growth have been identified as major factors facilitating the growth of the Pipe Industry in the country over the past few years.

Further Government of India is coming up with new projects and investments in the irrigation and real estate sectors. The focus of the Government is on rural water management, which will be fulfilled only when there will be proper transportation of water to the end users. This is one of the major demand drivers in the pipe industry along with expansion of housing sector.

Indian Pipe Industry has the presence of all types of pipes, among which DI Pipe is considered a dominant pipe material mainly due to much high structural strength, mechanical and hydraulic advantages in addition higher durability. Seeing the growing demand and upward trend in the funding of water supply/sanitation projects and a new proactive Government at the helm, the future of the Industry appears to be bright.

« Demand drivers for DI Pipes

The following factors would drive the demand for DI Pipes:

1. Thrust of the Government to provide drinking water and sanitation to 100% of the population and make funds available to achieve it.
2. The 100 smart city project launched by the Government will result in a surge in demand for the products.
3. The need to conserve water and reduce leakage. The need to focus on life cycle cost rather than initial cost; and to consider inconvenience to public in replacement of pipes.
4. The over reliance on ground water for rural water supply has resulted in twin problem



of sustainability and water quality and hence there is suggested shift to surface water source for tackling this issue. This will result in substantial increase in requirement of pipes.

5. Expectations and assertions from people all over for a strong water supply and good drainage system.

FY 2014-15 vs. FY 2013-14

The Company's Revenue from Operations was reported marginally lower at Rs.2,153.78 Crores during the year under review as compared to Rs.2,186.88 Crores reported in the previous year. Export sales also decreased by around 23.83% from Rs.989.21 Crores in 2013-14 to Rs.753.46 Crores in 2014-15, due to stiff competition faced by the products of the Company in the overseas markets. The Company's profit after tax (PAT) for the FY 2014-15 was reported at Rs.72.67 Crores as against Rs.100.56 Crores for FY 2013-14, due to additional Coal levy of Rs.13 Crores being charged to the Profit and higher depreciation of Rs.16 Crores due to change in rates under Schedule II of the Companies Act, 2013. An additional levy at the rate of Rs.295 per ton of Coal extracted has been paid as per the terms of the Ordinance promulgated by Government of India, Ministry of Law & Justice dated 21 October 2014 in pursuance of the Order dated 24 September 2014 issued by Hon'ble Supreme Court of India cancelling the allocation of Parbatpur Coal Block to the Company with effect from 31 March 2015.

B. PRODUCT WISE PERFORMANCE

« Ductile Iron (DI) Pipes

The Ductile Iron Pipes Plant, with a total capacity of 2,80,000 TPA produced 2,77,317 MT of DI Pipes during the year 2014-15 compared to 2,81,239 MT in 2013-14. Marginal decrease in production was due to production of more smaller dia pipes and value added products during the year to meet newer requirement of both

international and domestic customers. The Company has taken all initiatives for improving productivity further.

The main raw materials are Iron Ore and Coke. Iron Ore is mainly procured from Odisha and Coke is captively produced at Haldia. The DI Pipes produced by the Company is sold in India and globally. The sale of DI Pipes contributed to 68% of the total revenues of the Company during the year amounting to Rs.1,422.81 Crores.

« Cast Iron (CI) Pipes

The Cast Iron Pipes Plant, with a total capacity of 1,08,000 TPA produced 32,041 MT of CI Pipes in 2014-15 compared to 25,848 MT in 2013-14. The production was marginally higher. The demand for Cast Iron Pipes remains low.

The main raw material is Pig Iron, which is sourced from domestic sources. The CI Pipes produced by the Company is sold mainly to the states in Southern India. The sale of CI Pipes contributed Rs.136.75 Crores to the total revenues of the Company during the year.

« DI Fittings & Accessories

DI Fittings & Accessories produced 6,027 MT of DI Fittings in 2014-15 as against 5,992 MT in 2013-14. The Company has enhanced capacity through installation of new facility at Haldia works for improving the performance of the division. It is targeting more value added products and higher exports to niche markets. The sale of DI Fittings and Accessories contributed to Rs.89.66 Crores in the total revenues of the Company during the year.

« Power Plant

12 MW Power Plant at Haldia has contributed 55.22 million units in FY 2014-15 to SEB grid in place of 35.85 million units in the FY 2013-14. Generation increased due to higher availability of steam from Coke Oven and Sponge Iron Boilers for higher running days.

Management Discussion (Contd.)

« Captive Coke Oven Plant

The Coke Oven Plant, with a total capacity of 2,25,000 TPA at Haldia, produced 1,97,884 MT of Metallurgical Coke in FY 2014-15 against 1,63,203 MT in FY 2013-14, mainly for captive consumption in Blast Furnace at Khardah Works. The primary raw material for producing Coke that is Coking Coal was imported from Australia.

« Raw Materials Management

The Company's manufacturing facilities are spread across four locations in India. Presently, the business model consists of fully integrated production facilities which include Sinter Plant, Coke Oven Plant, Blast Furnace, Pig Iron Plant, Sponge Iron Plant and Captive Power Plant. The integrated manufacturing facility model helps the Company to minimise the production cost as the Company strongly believes that cost competitiveness is a key component of success. The Company continuously endeavors to improve the cost competitiveness by adopting various innovative, cost saving measures in the operations.

The Company has also been allocated an Iron Ore Mine at Kodoliband in the State of Jharkhand. The Company has already received 1st stage forest clearance and 2nd stage forest clearance is under process and is expected shortly. On receipt of these clearances the mining lease will be executed by Jharkhand Government and mining operation will start thereafter. Once mining operation commences, the basic raw material cost of iron ore being incurred by the Company would reduce substantially. In addition, the Company has also put other projects in the pipeline such as Iron Ore Beneficiation & Pellet Plants for availing further cost benefit.

The Company has also acquired a Dolomite mine in District Chandrapura, Maharashtra to ensure the consistent supply of low silica high grade Dolomite for operation of its Plants.

To ensure the timely & uninterrupted movement of raw materials, the Company has taken following steps :

1. To mobilise movement of iron ore rakes, the Company has constructed a private railway siding at Barajamda in Chakradharpur division of South-Eastern Railway. The siding has already been commissioned and is operative.
2. A private siding has also been constructed at Durga-Chalk, Haldia for inward & outward movement of raw materials & finished products.

« Exports

The Company has maintained its thrust on exports by entering new markets in Africa, especially North and West Africa. There is strong competition from new players and crisis in the European markets is making things difficult. However, the Company is making all endeavour to maintain its position in the export market.

New joints/lining and coatings are being developed and approvals are being obtained for new export markets. A new fittings foundry in Haldia will make the Company strategically better in offering a complete range of products.

Engineering Export Promotion Council (EEPC) India, Eastern Region, has given "AWARD FOR EXPORT EXCELLENCE" as recognition for being Star Exporter in the category "Sanitary and Industrial Castings" for the year 2012-13.

« Quality and Approvals

With the continual improvement of Quality, the Company is continuously expanding its business. In last financial year, the Company has started business in many new European Union (EU) countries like Poland, Romania, Hungary etc. The Company is putting up a new stockyard in Bahrain to improve the quality and delivery to the countries of Middle East. The Company



continues to be approved by DVGW of Germany, OVGW of Austria, BSI (UK), IGH (Croatia), UL (USA), FM (USA) etc.

The internal epoxy coating of the products of the Company for sewerage is approved by NF of France and successfully marketed in Europe. This has created a lot of excitement in European market as the performance of this coating is superior than those existing in the market.

The paints manufactured by the Company's plant are approved by WRAS (UK), ACS (France) and DVGW (Germany) for drinking water application. This is a distinct achievement as very few paints all over the world have such accreditation.

C. OPPORTUNITIES AND THREATS

« Opportunities

The Indian Pipe Industry has experienced rapid growth in the last several years. The major reasons for the growth of this Industry is increasing demand for pipes in the irrigation sector, oil and gas sector and also the real estate industry. Infrastructure development, urbanization and the subsequent development of residential and industrial construction are facilitating the growth of the Pipe Industry in India. The Government of India is coming up with new projects and investments in the irrigation sector. The focus of the Government on rural water management will be fulfilled only when there will be proper transportation of water to the end-user. Electro-steel Castings, a pioneer in introducing Ductile Iron Pipes in India, with state of the art manufacturing facilities, is well placed to provide pipeline solutions to the nation particularly in field of transportation of water.

« Threats

Increased cost of raw materials, shipping, logistics and the bottlenecks in the logistics, coupled with competitive market, have created pressure on

margins. However, with measures towards backward integration, cost reduction and hedging of commodity prices etc., de-bottlenecking of logistic constraints and long term planning for raw material availability, the Company is confident of achieving sustained growth both in turnover and profits. The European Commission has started Anti-Dumping and Anti Subsidy investigation on import of Ductile Iron Pipes manufactured in India, which the Company is stoutly defending.

D. RISKS AND CONCERNS

This has been dealt with separately in the section on "Risk Management".

E. FINANCIAL PERFORMANCE

The highlight of the operations for the year ended 31 March 2015 and 31 March 2014 are as under:

a) Financials

(Rs. in Crores)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Gross Sales & Income from Operations	2,203.29	2,235.09
Profit before Interest, Depreciation & Exceptional Items	309.09	324.76
- Finance Expenses	145.32	135.82
- Depreciation	67.43	52.97
Profit before Exceptional Items & Tax	96.34	135.97
Exceptional Items	-	-
Profit before Tax	96.34	135.97
Tax Expenses	23.67	35.41
Profit after Tax	72.67	100.56

Management Discussion (Contd.)

b) Company's Sales mix

(Rs. in Crores)

Product	Turnover	
	Year ended 31 March 2015	Year ended 31 March 2014
Finished goods sold		
D.I. Spun Pipes	1,422.81	1,493.94
C.I. Spun Pipes	136.75	116.77
Others	512.53	365.18
Traded goods sold		
Coke and Coal	37.30	121.43
Others	17.32	39.83

« Other Financial Matters

During the year :

1. Net Worth of the Company increased to Rs.1,964.01 Crores as at 31 March 2015 as against Rs.1,879.18 Crores as at 31 March 2014.
2. Gross Fixed Assets including Work in Progress & Capital Advances as at 31 March 2015 increased to Rs.3,028.24 Crores as against Rs. 2,868.74 Crores as at 31 March 2014.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. The Company has adequate internal control systems in all the areas. It ensures the efficiency of the operations, financial reporting and statutory compliances. These systems are routinely reviewed and updated wherever considered necessary. Apart from the internal control system, an Independent Internal Auditor also reviews all activities in a systematic and structured manner.

The Audit Committee regularly reviews the observations and suggestions of the Internal Auditors and takes the necessary corrective actions.

G. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company recognises that its employees are its biggest source of strength and that highly engaged workforce delivers high performance and improved productivity. This has been continuously supported by the evolving human resource management systems and processes of the Company. The Company is providing an impetus for enhancing the capabilities of employees at all level. In addition, the Company is strongly focused towards manpower optimisation.

The constructive and cordial relationship between the Management and Unions has resulted in smooth Industrial Relations during the year under review.

The Company has been accredited with Social Accountability 8000 certification from BSI. We are sustaining our improvement as well as continuing additional improvement initiatives to maintain TPM excellence. This year "TPM implementation" at the Haldia and Bansberia Works are continued, which we had started in the previous year.

« Safety & Health

The Company strives for health, safety & environmental sustainability. It is committed to provide a safe, healthy, clean & ergonomic working environment in all spheres of its activities.

The Company is maintaining strict adherence in respect of monitoring and review compliance of various laws applicable for health & safety at all work places and project works of the Company.

- Providing focus on General Safety, Process Safety and Behavioral Safety through various campaigns & training.



- Effectively maintaining established Safety & Health Policy of the Company.
- Efficiently conducting various competitions amongst all employees during celebration of Safety Week for further enhancement of safety awareness like Quiz Contest, KYT Contest, Safety-Drama Contest etc.
- Monitor and review operational performance, anticipate potential issues and provide support in setting direction for improvements.
- Providing training to workmen to maintain the workplace a safe zone.
- Due weightage is provided for identification of hazards and risk analysis thereof apart from regular plant safety inspection, implementation of safety committee resolutions etc.

⏪ **Environment**

Environmental sustainability has become an increasingly important item on our Company agenda. Our various operations across all units have undertaken numerous initiatives to realise for more improvement in the areas.

- ⇒ The Company has established and implemented Environmental Management System across the organisation.
- ⇒ Setting up of a department to conduct environmental monitoring & analysis on regular basis.
- ⇒ Installation of ambient air quality monitoring stations all along the periphery of the factory premises.
- ⇒ Proper maintenance and effective use of all key resources.
- ⇒ Providing training to all employees for awareness on environmental best practices.
- ⇒ The Company is regularly monitoring the environmental parameters to ensure that

the same are kept much below the level of standard norms.

- ⇒ Maintaining Centralised Effluent Treatment Plant where effluents are treated and treated water is being recycled inside the Plant to the maximum possible extent.
- ⇒ Use of three 'R' philosophy i.e. Reduce, Reuse & Recycle is being implemented in our Waste Management System.

⏪ **Waste Minimisation**

- ▶ Segregation of Waste as Bio-degradable & Non Bio-degradable in designated vats at different locations.
- ▶ Mechanised handling of Waste.
- ▶ Disposal of saleable Waste.
- ▶ Non Saleable Bio-degradable Waste being used for land filling.
- ▶ Proper management of Bio-Medical Waste.

⏪ **Corporate Social Responsibility (CSR)**

Electrosteel is alive to its Corporate Social Responsibility and understands the critical role it plays in ensuring the long term sustainability of a resource based company, and accordingly, it has been giving this a high priority. Corporate sustainability has always meant paying special attention on Environment, People and Society. CSR activity of the Company is governed by its core values of quality, trust & reliability and driven by our aspiration for excellence in the overall performance of our business.

The Company undertakes numerous activities for development of the neighborhood of all its plants to improve the quality of life of local people by promoting education, healthcare, sports and cultural events amongst local people. Some important initiatives undertaken as a part of CSR activities, during the year are:

- a) Our charitable medical centres involving

Management Discussion (Contd.)

- local people, continue to provide services to the needy people of the society.
- b) Promoting national recognised sports through local clubs.
- c) Promoting education by doing developmental work in schools.
- d) Local good & bright students are always felicitated and encouraged. Distribution of education kit amongst poor children.
- e) Setting up of Drinking water Kiosks in the local area.
- f) Participating in Cultural Fairs, organising Health Camps in collaboration with NGOs and local Clubs.
- g) Providing assistance to needy and poor people such as distribution of clothes/shawls etc.
- h) Providing assistance in promoting Local Art & Cultural festivals.
- i) Arranging blood donation camps for the benefit of armed force veterans and helping local blood banks.
- j) Helping in the reconstruction of local sports clubs.

Information Technology

The Company appreciates value of Information as an essential ingredient to the success of the business and for providing a competitive advantage.

- ⇒ SAP as ERP system has been implemented over many years to handle the various business processes. Periodic upgrades and implementation of newer features of ERPs and other applications is being done regularly to keep the systems current and to meet emerging business requirements.
- ⇒ Business Analytics for MIS and Decision support System.

- ⇒ The Company has implemented vendor portal solution at group level to enhance collaboration with its business partners.
- ⇒ Process improvements have been done for weighbridge automation and integration with other business applications and processes.
- ⇒ As part of improved employee commitment and bonding, employee portal system has been implemented and available to all group employees for better collaboration.
- ⇒ A Wide Area Network connecting more than 20 diverse geographic locations across India including manufacturing plants, Corporate Office and sales offices.
- ⇒ The Company has implemented email and communication system adopting the principles and technologies of cloud computing.
- ⇒ Redundancy and load sharing has been implemented for critical communication devices to maintain the business continuity.

The Company is alert about the threats and has taken sufficient measures to protect data and to stay away from intrusions and cyber-attacks. Process of continuous audit tests and necessary updations to perimeter security measures have been implemented and sustained.

H. OUTLOOK

The global economy is still struggling to gain momentum and is expected to remain volatile during 2015. However, the Indian economy being a big beneficiary of decrease in oil and energy prices and is poised to clock around 7.5% growth in the year 2015-16. Being the largest and low cost producer of quality Ductile Pipes in India, coupled with cost control measures, rising demand for Company's products in India and with sharp focus on exports, the outlook of the Company looks bright.



CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's estimates, predictions, expectations may be "forward-looking" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods in which the Company operates, input availability and prices, changes in government regulations, tax laws and other statutes, economic developments within the country and the countries within which the Company conducts business and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of subsequent developments, information or events.



Risk Management

The Company has proper Risk Management and Control System to ensure that the risks of the Company are identified and managed effectively. The risk and mitigation measures are weaved into strategic plans and are reviewed periodically. Values and Business Principles are an important element of the internal environment for risk management. The main objective of Risk Management is proper compliances with applicable laws and regulations and to ensure that the systems protect the safety and health of our employees, customers and consumers.

The Company has already undertaken an extensive Risk Management effort that includes introducing Risk Management Manual, compiling a comprehensive profile of the key risks to the Company, identifying key gaps in managing those risks and developing preliminary action plans to address those risks. The worldwide activities of the Company are exposed to varying degrees of risk and uncertainty. The Company has identified and categorised the risks associated with its business into Economic Risk, Competitor Risk, Industrial Risk, Environmental Risk, Foreign Exchange Risk and Payment Risk.

Economic Risk

Economic risk can be described as the likelihood that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. The causes can be many, for instance, the hike in the price for raw materials, failure to accomplish deadlines, disruptions in a production process, the change of a political regime, or natural disasters etc.

To counter this, the Company has taken various steps including backward integration which comprises owning of iron ore mines and brown

field expansions e.g. Sinter Plant, Sponge Iron Plant, Coke Oven Plant, Power Plant from waste heat recovery, upgrading and expanding manufacturing capacities and increasing efforts on research and development. In addition, cost control measures are an ongoing process.

To avoid price volatility for critical items, the Company tries to enter into long term contracts as well as propose to foray into commodity exchanges for hedging the adverse price movements.

Competitor Risk

As the market is highly competitive with the elimination of physical barriers, the Company is exposed to the competitor risk. Ductile Iron (DI) Pipe Industry is a technology intensive industry. Staying in tune with customers need is vital to the sustainability of any company; the same can be safely said about the competition. With the entry of new players and the inevitable competition from other alternative industries, the Company constantly analyses the competitors from both marketing and strategic point through the assessment of strength, weakness of the each competitor which helps to identify the opportunities and threats.

The Company continues to focus on increasing its market share and taking marketing initiatives that help customers in taking informed decisions. The quality improvement and product enhancement efforts have established the brand image of the product as the most preferred brand with the customers. With the thrust given by Government of India on water and water related projects and due to the anticipated growth in water requirement in India, the demand of DI Pipes is expected to grow substantially in the

next few years and the Company is confident of retaining its market share.

Industrial Risk

Labour unrest can erupt anytime in a Company and cause hindrance in the operation of the Plant. The Company recognises people as the primary source of its competitiveness. It continues to pay sincere attention on people development by developing a continuously learning human resource base to help them in improving their potential and fulfil their aspiration.

A major factor in the smooth operation of the plant is cordial industrial relation. The Company through its experienced team of management has been successful in maintaining an excellent labour relation over the years. As a consequence of such harmonious relations there has not been a single man day lost for more than a decade. The Company is optimistic that due to a loyal, devoted and dedicated workforce, the labour relation will continue to strengthen further and play an important role in the success of the Company.

Environmental Risk

Environmental Risk can be defined as actual or potential threat of adverse effects on the living organisms and environment by effluents, emissions, wastes, resource depletion etc. arising out of an organisation's activities.

The Company is committed to protect environment and prevention of pollution arising out of emission, effluents, waste & resource depletion from plant activities.

The Company has installed state of the art devices to control emission and installed sprinkler system in all strategic locations to maintain cleaner environment in and around the factory premises. The Company has planted saplings inside as well as outside the factory to develop green belt.

The Company has adopted a comprehensive waste management method by developing innovative solution for waste disposal.

The Company is committed to continuously improve its efforts in energy conservation, waste management and conservation of natural resources keeping in mind the requirements of authority by strictly adhering to ISO 14001:2004 standards.

Foreign Exchange Risk

Foreign Exchange Risk (also known as exchange rate risk or currency risk) is a financial risk posed by an exposure to unanticipated changes in the exchange rate between two currencies. Multinational businesses exporting or importing goods and services are faced with an exchange rate risk which can have severe financial consequences if not managed appropriately. Considering the large export and imports of raw material, the Company is exposed to the risk of fluctuation in the exchange rates.

The Company has adopted a comprehensive risk management review system wherein it actively hedges its foreign exchange exposures within defined parameters, through use of hedging instruments such as forward contracts, options and swaps. The Company periodically reviews and audits its risk management initiatives through an independent expert.

Payment Risk

Payment Risk refers to the possibility of loss on account of non-receipt or delayed or part receipt of payments. For example, in case of incorrect or delayed payments, there are costs arising from transferring funds back, interest charges, replacement costs and other types of charges. In case of not receiving or receiving partial payments, there will be a principal loss.

Since major water infrastructure projects are Government funded or foreign aided, the risk involved in payment default is minimum. Further, evaluating the credit worthiness of the customers has minimised the risk of default by other segment customers. Besides, the risk of export receivables is covered under Credit Insurance.



Report on Performance and Financial Position of the Subsidiaries, Associates and Joint Ventures of the Company for the year ended 31 March 2015

There are 11 Subsidiaries, 3 Associates and 2 Joint Venture (JVs) Companies of the Company as on 31 March 2015. The performance and financial position of these Subsidiaries, Associates and JVs are summarised below :

A. SUBSIDIARIES

1. Electrosteel Algeria SPA, Algeria

Electrosteel Algeria SPA is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Algeria and other African countries. This subsidiary has earned a profit of USD 262,901 on a total income of USD 3.15 million during the year under review as compared to a loss of USD 715,410 on a total income of USD 7.63 million during the previous year. Post Arab uprising in 2011, the Algerian markets are faced with extreme uncertainty due to various factors including policies of the Government to protect the local industry. Despite such uncertainties, this subsidiary has been successful in earning profits during the year under review. The demand in North West African countries (such as Morocco, Senegal, Mauritania etc.) is expected to improve and better results are expected to be achieved during the financial year 2015-16.

2. Electrosteel Castings (UK) Ltd., United Kingdom

Electrosteel Castings (UK) Ltd. is a wholly owned subsidiary engaged in marketing and selling the products of the Company in United Kingdom. This subsidiary has earned a profit of GBP 355,287 on a turnover of GBP 15.95 million during the year under review as compared to a loss of GBP 681,751 on a turnover of GBP 17.02 million during the previous year. This subsidiary has been quite aggressive in the UK markets during the year under review which resulted in achievement of profits. After a period of subdued growth in the aftermath of the global downturn, growth in the United Kingdom has picked up since 2013-14. Therefore, the outlook for the next year in respect of volume and profitability is expected to be positive.

3. Electrosteel Castings Gulf FZE, UAE

Electrosteel Castings Gulf FZE is a wholly owned subsidiary engaged in marketing and selling the products of the Company in United Arab Emirates and other Middle-East countries. This subsidiary has earned a profit of AED 396,656 during the year under review as compared to a profit of AED 372,240 earned during the previous year. This subsidiary has also started the operation of stock yard in Jebel Ali Free Zone during the year under review to serve the urgent requirement of GCC countries. The outlook for the next year is expected to be positive.

4. Electrosteel Doha for Trading LLC, Qatar

Electrosteel Doha for Trading LLC is a subsidiary engaged in marketing and selling the products of the Company in Qatar. The Company holds 49% stake and controlling interest in this subsidiary. This subsidiary has earned a profit of QAR 881,079 during the year under review as compared to a profit of QAR 689,407 earned in the previous year. The outlook for next year is optimistic, as major projects are in the offing, due to upcoming FIFA World Cup in 2022.

5. Electrosteel Europe SA, France

Electrosteel Europe SA is a wholly owned subsidiary engaged in marketing and selling the products of the Company in France, Italy, Portugal, Poland, Germany and other countries located in North Europe. This subsidiary has earned a profit before tax of Euro 1,097,740 on a turnover of Euro 59.92 million during the year under review as compared to a profit of Euro 706,598 on a turnover of Euro 55.72 million during the previous year. The increase in both turnover and profits during the year under review could be attributed to accessing new markets of Europe. The next financial year 2015-16 is expected to pose a challenge due to the continuous shrinkage of the European market and the on-going Anti-Dumping and Anti Subsidy investigation initiated by the European Commission on import of DI Pipes from India into the European Union.

6. Electrosteel Trading SA, Spain

Electrosteel Trading SA is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Spain and other countries located in South Europe. This subsidiary has earned a profit of Euro 44,237 on a turnover of Euro 2.79 million during the year under review as compared to a profit of Euro 4,082 on a turnover of Euro 1.50 million during the previous year. During the next financial year, this subsidiary is expected to continue to earn similar profits/maintain similar position.

7. Electrosteel USA, LLC, USA and its wholly owned subsidiary, WaterFab LLC, USA

Electrosteel USA, LLC is a wholly owned subsidiary and this entity along with its wholly owned subsidiary i.e. WaterFab LLC is engaged in marketing and selling the products of the Company in USA. This subsidiary has earned a consolidated profit of USD 53,700 on a consolidated turnover of USD 7.84 million during the year under review as compared to a consolidated loss of USD 88,667 on a consolidated turnover of USD 3.36 million during the previous year. The demand in American markets remained sluggish and this subsidiary has been facing stiff competition. The outlook for the next year in respect of volume is expected to be positive with breakeven or marginal profits.

8. Electrosteel Brazil LTDA, Brazil

Electrosteel Brazil LTDA is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Brazil and other South American markets. There has not been much of activity through this subsidiary during the financial year 2014-15, as it was formed in the previous financial year. However, the economic growth in Brazil and other South American countries present a good opportunity and performance of this subsidiary is expected to improve in the coming years.

Subsidiaries, Associates (Contd.)

9. Electrosteel Bahrain Holding SPC Company, Bahrain

Electrosteel Bahrain Holding SPC Company was incorporated as a wholly owned subsidiary of the Company recently, i.e. on 17 March 2015 to act as the holding company for a group of commercial and/or industrial or services companies.

10. Mahadev Vyapaar Pvt Ltd, India

This wholly owned subsidiary is being amalgamated with the Company. The status of the amalgamation has been provided in the Report of Directors. This subsidiary had earned a profit after tax of Rs.6.67 lakhs during the year under review as compared to the profit after tax of Rs.5.60 lakhs earned in the previous year.

B. ASSOCIATES

1. Electrosteel Steels Limited

Electrosteel Steels Limited (ESL) is promoted by the Company to set up 2.51 MTPA Greenfield Integrated Steel & Ductile Iron Pipe Plant in Bokaro, Jharkhand. The plant is under construction and erection. A part of the Plant facility has commenced production and the work for completion of the balance project modules to make Plant completely commissioned to its annual capacity are in progress. The Company at present is selling TMT bars, Billets, Pig Iron and Ductile Iron Pipes. The Company is presently listed on both BSE Limited and the National Stock Exchange of India Limited.

The turnover of ESL increased from Rs.51,322.19 lakhs to Rs.1,83,124.07 lakhs which is primarily attributable to operationalisation of some of the project modules. The losses for the year increased from Rs.29,113.17 lakhs to Rs.62,404.23 lakhs on account of lower price realisation, increase in interest cost and depreciation amongst others. The delay in release of the Term Loans for execution of the outstanding project modules and need based working capital facilities sanctioned by Corporate Debt Restructuring Committee in September 2013 were the major bottlenecks in improving the performance of ESL. However, due to better management of funds and effective steps taken in improving the operational efficiency of the Plant, ESL reported Earnings Before Interest & Tax (EBITA) of Rs.2,855.09 Lakhs in comparison to negative EBITA of Rs.(4,616.29) lakhs during previous year.

2. Srikalahasthi Pipes Limited (formerly known as Lanco Industries Ltd.)

Srikalahasthi Pipes Limited (SPL), an Associate of the Company, is a leading manufacturer of Ductile Iron Spun Pipe in South India. SPL has achieved a gross operating revenue of Rs.1,123.04 Crores during the year 2014-15 as against Rs.1,037.16 Crores in the previous year, registering an increase of 8.28%. Reduced cost of production, improved efficiency, lower finance costs, growth in sales volumes coupled with improved realisations resulted in higher pre-tax profits of Rs.119.42 Crores as compared to Rs.41.42 Crores in the previous year. The Company is presently listed on both BSE Limited and the National Stock Exchange of India Limited.

SPL has successfully completed its capital expenditure programme of about Rs.100 Crores to increase the production of Ductile Iron Pipes by 50,000 TPA. The Company has also successfully commissioned and synchronized 132 KV sub-station. SPL would start reaping the benefits of increased production capacity from the next year and it is also exploring additional measures for cost reduction and value addition to remain competitive in the industry.



3. Electrosteel Thermal Power Limited

Electrosteel Thermal Power Limited (ETPL), an associate of the Company, is yet to commence operations. ETPL had reported a loss after tax of Rs.0.31 lakhs during the year 2014-15 as compared to a loss after tax of Rs.0.18 lakhs in the previous year.

C. JOINT VENTURES

1. Domco Private Limited

The status of Domco Private Limited (DPL), a JV entity, has been covered under Note no 2.12.3 of the Notes to the Consolidated Financial Statements for the year ended 31 March 2015.

2. North Dhadhu Mining Company Private Limited

The status of North Dhadhu Mining Company Private Limited (NDMPL), a JV entity, has been covered under Note no 2.12.4 of the Notes to the Consolidated Financial Statements for the year ended 31 March 2015.

Report on Corporate Governance of the Company

for the year ended 31 March 2015

(as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. Company's philosophy on Corporate Governance in brief

The philosophy of the Company in relation to Corporate Governance is to ensure fairness, transparency, integrity, equity, honesty and accountability in its dealings with its customers, dealers, employees, lenders, Government and other stakeholders including shareholders. The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company has adopted various codes, policies and programs to carry out its operations in a transparent and ethical manner. Some of the important codes, policies and programs adopted in this regard are –

- Code of Conduct for Directors and Senior Management;
- Vigil Mechanism Policy;
- Related Party Transaction Policy;
- Nomination and Remuneration Policy;
- Corporate Social Responsibility Policy;
- Policy on Material Subsidiaries;
- Policy on Board Diversity and Succession Plan;
- Familiarization Program.

2. Compliance of Clause 49 (as amended) of the Listing Agreement

In line with this, we are pleased to inform you that, as on 31 March 2015, the Company is in compliance with all the mandatory requirements of Clause 49 and other applicable clauses of the Listing Agreement entered into with the Stock Exchanges. The necessary disclosures as required under Clause 49 of the Listing Agreement have been covered in this Annual Report.

3. Board of Directors

3.1 Composition and Category of Directors and number of outside Directorship and Committee Positions held as on 31 March 2015

The Board of Directors of the Company consists of 11 (eleven) members which comprise of:

- Three Independent Non-Executive Directors;
- Three Promoter Executive Directors;
- One Promoter Non-Executive Director;
- Two Non-Independent Non-Executive Directors; and
- Two Non-Promoter Executive Directors.



The Chairman of the Company is an Independent Non-Executive Director.

The composition of the Board as on 31 March 2015 was pursuant to the provisions of Companies Act, 2013 (the Act) and the Clause 49 of the Listing Agreement (as amended) entered into with the Stock Exchanges.

Name of the Director	Category	Number of outside Directorship(s) held			Outside Committee Position(s) held ¹	
		Public Companies	Private Companies	Foreign Companies	As Member	As Chairman
Mr. Pradip Kumar Khaitan	Chairman, Independent, Non Executive	9	-	-	3	-
Dr. Jamshed Jiji Irani	Independent, Non Executive	2	-	-	-	-
Mr. Binod Khaitan	Independent, Non Executive	1	1	-	1	-
Mr. Umang Kejriwal	Promoter, Executive	3	2	-	-	-
Mr. Mayank Kejriwal	Promoter, Executive	7	4	1	1	-
Mr. Uddhav Kejriwal	Promoter, Executive	2	10	-	-	-
Ms. Nityangi Kejriwal ²	Promoter, Non Independent, Non Executive	-	-	-	-	-
Mr. Naresh Chandra	Non Independent, Non Executive	8	-	1	7	-
Mr. Shermadevi Yegnaswami Rajagopalan	Non Independent, Non Executive	1	-	-	-	-
Mr. Vyas Mitre Ralli ³	Non Promoter, Executive	-	-	-	-	-
Mr. Mahendra Kumar Jalan ³	Non Promoter, Executive	-	5	9	-	-

Notes:

1. For this purpose, only two Committees viz. the Audit Committee and the Stakeholders Relationship Committee have been considered. This excludes Committee positions held in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.
2. Ms. Nityangi Kejriwal was appointed as a Non-Executive Director of the Company with effect from close of business hours on 31 March 2015 in the casual vacancy caused by the resignation of Mr. Rama Shankar Singh from the Board from the close of business hours on 31 March 2015.
3. Mr. Vyas Mitre Ralli and Mr. Mahendra Kumar Jalan were re-appointed as Whole-time Directors of the Company for a period of 5 years each from 21 December 2014 and 22 January 2015, respectively.
4. Mr. Bhaskara Nageswararao Mandavilli, an Independent Director resigned from the Board w.e.f. 27 March 2015.

3.2 Attendance of Directors at the Board Meetings during the Financial Year ended 31 March 2015 and at the last Annual General Meeting (AGM)

During the Financial Year ended 31 March 2015, 8 (eight) Board meetings were held and the gap between any two consecutive meetings held during the year did not exceed 120 days. The

Corporate Governance (Contd.)

attendance details of each Director at the Board meetings and at the last Annual General Meeting (AGM) is given below :

Name of the Director	No. of Board Meetings Attended	No. of Board Meetings Held	Attendance at the last AGM held on 28 August 2014
Mr. Pradip Kumar Khaitan	8	8	No
Mr. Umang Kejriwal	7	8	No
Mr. Mayank Kejriwal	7	8	No
Mr. Uddhav Kejriwal	8	8	No
Mr. Vyas Mitre Ralli	8	8	No
Mr. Rama Shankar Singh ¹	1	8	No
Mr. Mahendra Kumar Jalan	7	8	No
Dr. Jamshed Jiji Irani	6	8	No
Mr. Binod Khaitan	8	8	Yes
Mr. Naresh Chandra	3	8	No
Mr. Bhaskara Nageswararao Mandavilli ²	4	8	No
Mr. Shermadevi Yegnaswami Rajagopalan	8	8	Yes
Ms. Nityangi Kejriwal ³	-	-	-

Notes:

1. Mr. Rama Shankar Singh had resigned from the Board w.e.f. close of business hours on 31 March 2015.
2. Mr. Bhaskara Nageswararao Mandavilli, an Independent Director resigned from the Board w.e.f. 27 March 2015.
3. Ms. Nityangi Kejriwal was appointed as a Non-Executive Director of the Company w.e.f. close of business hours on 31 March 2015.

3.3 Details of Meeting-wise attendance of Board Members

Date of the Board Meeting	Board Strength	No. of Directors Present
11 April 2014	12	8
10 May 2014	12	9
11 August 2014	12	9
10 September 2014	12	8
29 October 2014	12	11
24 December 2014	12	10
9 February 2015	12	11
23 March 2015	12	9

3.4 Details of remuneration paid to Directors during the financial year 2014-15

a) Remuneration paid to Independent & Non-Executive Directors :

(In Rupees)

Name of the Director	Sitting Fees ¹	Commission paid/payable ²	Total
Mr. Pradip Kumar Khaitan	6,70,000	6,00,000	12,70,000
Dr. Jamshed Jiji Irani	2,90,000	12,00,000	14,90,000
Mr. Binod Khaitan	6,50,000	6,00,000	12,50,000
Mr. Bhaskara Nageswararao Mandavilli	4,40,000	6,00,000	10,40,000
Mr. Naresh Chandra	2,70,000	12,00,000	14,70,000
Mr. Rama Shankar Singh	50,000	-	50,000
Mr. Shermadevi Yegnaswami Rajagopalan	5,50,000	6,00,000	11,50,000
Total	29,20,000	48,00,000	77,20,000

Notes:

1. The amount of sitting fees for attending Board & Audit Committee meeting was raised from Rs.20,000 per meeting to Rs.50,000 per meeting and for the meeting of Independent Directors of the Company, the sitting fees was fixed at Rs.50,000 per meeting. The fees for attending any other meeting was fixed at Rs.20,000 per meeting during the financial year 2014-15 as per Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. These Directors are also entitled to reimbursement of expenses for participation in Board and other meetings.
2. The Members at the 59th AGM of the Company held on 28 August 2014 had approved payment and distribution of Commission amongst Directors (other than Executive Directors) for a period of 5 years commencing from 1 April 2014, in such amounts or proportions and in such manner as may be directed and decided by the Board, within the ceiling of 1% per annum of the net profits of the Company computed in the manner referred to in Section 198 of the Companies Act, 2013.
3. Independent Directors did not have any pecuniary relationship or transactions (except receipt of remuneration as Directors) with the Company during the year under review.
4. No Stock Options have been granted to any Independent or Non-Executive Director of the Company.

Corporate Governance (Contd.)

- b) The details of remuneration paid to Executive Directors during the financial year 2014-15 are as follows –

(In Rupees)

Name of the Directors & Designation	Relationship with other Directors	Salary	Perquisites	Commission paid/payable	Total ²	Service Contract etc.
Mr. Umang Kejriwal, Managing Director	See Note ¹	1,50,00,000	38,62,415	1,20,00,000	3,08,62,415	Tenure of 5 years from 1 April 2012
Mr. Mayank Kejriwal, Joint Managing Director	See Note ¹	60,00,000	20,83,069	–	80,83,069	– Do –
Mr. Uddhav Kejriwal, Whole-time Director	See Note ¹	64,75,000	59,38,932	85,00,000	2,09,13,932	Tenure of 5 years from 16 June 2013
Mr. Vyas Mitre Ralli, Whole-time Director	See Note ¹	37,43,871	96,71,360	–	1,34,15,231	Tenure of 5 years from 21 December 2014
Mr. Mahendra Kumar Jalan, Whole-time Director	See Note ¹	37,18,065	98,77,644	–	1,35,95,709	Tenure of 5 years from 22 January 2015
Total		3,49,36,936	3,14,33,420	2,05,00,000	8,68,70,356	

Notes:

- Mr. Umang Kejriwal and Mr. Mayank Kejriwal are brothers. Mr. Mayank Kejriwal is the father of Mr. Uddhav Kejriwal. Ms. Nityangi Kejriwal, appointed as a Non-Executive Director from close of business hours on 31 March 2015 is daughter of Mr. Umang Kejriwal. Apart from this, none of the other Directors are in any way related to any other Director.
- The abovementioned remuneration is within the limits prescribed under the provisions of the Companies Act, 2013.
- No Stock Options have been granted to any Executive Director.

3.5 Details of shares/convertible instruments held by the Non-Executive or Independent Directors of the Company are as follows :

Name of the Director	No. of shares held
Mr. Pradip Kumar Khaitan	1,000
Mr. Binod Khaitan	2,000
Dr. Jamshed Jiji Irani	1,000
Mr. Naresh Chandra	1,000
Mr. Shermadevi Yegnaswami Rajagopalan	5,100
Ms. Nityangi Kejriwal	Nil

None of the Non-Executive or Independent Directors hold any convertible instruments and/or Stock Options of the Company as on 31 March 2015.

4. Board Committees

4.1 Audit Committee

The Audit Committee was reconstituted during the year under review. The Committee's terms of reference was specified by the Board in accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Committee comprises of the following Directors as on 31 March 2015:

Mr. Binod Khaitan, Chairman - Independent Director

Mr. Pradip Kumar Khaitan - Independent Director

Mr. Naresh Chandra - Non Executive Non Independent Director

The representatives of Statutory Auditors, Internal Auditors, Cost Auditors as well as the Executives heading the Finance, Accounts and other Departments of the Company are invited to attend meetings as and when required by the Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The broad terms of reference of the Audit Committee include review of financial reporting process and all financial results, statements and disclosures etc. and recommend the same to Board, review internal audit reports and discuss the same with internal auditors, evaluation of internal control systems and risk management systems, to meet the statutory auditors and discuss their findings, their scope of audit, post audit discussion, adequacy of internal audit functions, audit qualifications, if any, changes in accounting policies and practices, reviewing approval and disclosure of all related party transactions, reviewing with the management the performance of statutory and internal auditors and to recommend appointment/removal and remuneration of auditors, reviewing the functioning of Vigil Mechanism and compliance with statutory requirements etc.

During the Financial Year 2014-15, 5 (five) Audit Committee meetings were held on 10 May 2014, 11 August 2014, 28 October 2014, 9 February 2015 and 23 March 2015. The gap between any two consecutive meetings did not exceed 120 days.

Name of the Director	No. of Meetings	
	Held	Attended
Mr. Binod Khaitan	5	5
Mr. Pradip Kumar Khaitan	5	5
Mr. Naresh Chandra	5	3
Mr. Bhaskara Nageswararao Mandavilli ¹	5	3
Mr. Umang Kejriwal ²	2	2
Mr. Shermadevi Yegnaswami Rajagopalan ²	2	2

Notes:

1. Mr. Bhaskara Nageswararao Mandavilli ceased to be a member of the Committee w.e.f. 27 March 2015.
2. Mr. Umang Kejriwal and Mr. Shermadevi Yeganaswami Rajagopalan ceased to be members of the Committee w.e.f. 10 September 2014.

Corporate Governance (Contd.)

4.2 Nomination & Remuneration Committee

Nomination & Remuneration Committee (NRC) was constituted by the Board on 11 April 2014 and its terms of reference were specified in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Committee comprises of the following Directors as on 31 March 2015 :

Mr. Binod Khaitan, Chairman - Independent Director

Mr. Pradip Kumar Khaitan - Independent Director

Mr. Shermadevi Yegnaswami Rajagopalan - Non-Executive Director

The Company Secretary acts as the Secretary to the Nomination & Remuneration Committee.

The terms of reference of the NRC is to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration of the directors, Key Managerial Personnel (KMP) and other employees; identifying persons who are qualified to become directors and who may be appointed in senior management; recommend to the Board their appointment and removal; formulate criteria for evaluation of Independent Directors and the Policy on Board Diversity & Succession.

The Nomination and Remuneration Committee of the Company has formulated the Nomination and Remuneration Policy of the Company. The Policy applies to appointment of the Directors, KMPs and Senior Management Personnel as well as determining the remuneration payable to them.

During the Financial Year 2014-15, 4 (four) Nomination and Remuneration Committee meetings were held on 10 May 2014, 11 August 2014, 24 December 2014 and 23 March 2015.

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Khaitan ¹	-	-
Mr. Shermadevi Yegnaswami Rajagopalan	4	4
Mr. Pradip Kumar Khaitan	4	4
Mr. Bhaskara Nageswararao Mandavilli ²	4	2

Notes:

1. Mr. Binod Khaitan was appointed as the member and Chairman of the Committee w.e.f. 23 March 2015.
2. Mr. Bhaskara Nageswararao Mandavilli ceased to be the member of the Committee w.e.f. 27 March 2015.

4.3 Stakeholders' Relationship Committee

The name of Shareholders/Investors Grievance Committee was changed to Stakeholders' Relationship Committee (SRC) and its terms of reference were specified by the Board at its meeting held on 10 May 2014 in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Committee comprises of the following Directors as on 31 March 2015:

Mr. Binod Khaitan, Chairman - Independent Director

Mr. Mahendra Kumar Jalan - Executive Director

Mr. Uddhav Kejriwal - Executive Director

The Company Secretary acts as the Secretary to Stakeholders' Relationship Committee.

The terms of reference of SRC comprises of overseeing the redressal of grievances of security holders and investors on issues like share transfer, non-receipt of Annual Report/dividends, amongst others. In accordance with Clause 49 paragraph VIII(E)(4) & (5) of the Listing Agreement with the Stock Exchanges, the Board has delegated powers of share transfers and mitigation of shareholders grievances to M/s. Maheshwari Datamatics Pvt. Ltd. (MDPL), the Registrar and Share Transfer Agents (RTA) of the Company.

During the Financial Year 2014-15, 2 (two) Stakeholders Relationship Committee meetings were held on 29 October 2014 and 20 January 2015.

Date of the Board Meeting	No. of Meetings	
	Held	Attended
Mr. Binod Khaitan	2	2
Mr. Mahendra Kumar Jalan	2	2
Mr. Uddhav Kejriwal ¹	-	-

Note:

1. Mr. Uddhav Kejriwal was appointed as a member of the Committee w.e.f. 23 March 2015.

During the year under review, Ms. Kavita Bhavsar resigned from the office of Company Secretary and Compliance Officer. Mr. Prem Kumar Bafana was appointed as the Company Secretary and Compliance Officer of the Company with effect from 15 December 2014 and is responsible for monitoring the Share Transfer process and report to the Stakeholders' Relationship Committee.

At the beginning of the year under review, there was no complaint remaining unresolved. During the year, the Company received nine complaints and these nine complaints were duly resolved. There was no complaint which was pending at the end of the year.

There were no shares pending transfer as on 31 March 2015.

5. General Body Meetings

A. Location and time, where last three Annual General Meetings were held :

Year	Location	Date	Time	Whether Special Resolutions passed
2013-14	Rathod Colony, Rajgangpur District - Sundergarh, Odisha 770 017	28 August 2014*	11:30 A.M.	Yes, 7 (Seven)
2012-13	Rathod Colony, Rajgangpur District - Sundergarh, Odisha 770 017	22 August 2013	11:30 A.M.	None
2011-12	Rathod Colony, Rajgangpur District - Sundergarh, Odisha 770 017	7 September 2012	10:30 A.M.	Yes, 1 (One)

Corporate Governance (Contd.)

*M/s. Bihani Rashmi & Co., Practicing Chartered Accountants were appointed as the Scrutinizer for the purpose of submitting Report on Voting (including e-voting) at the AGM held on 28 August, 2014.

- B. Information about Directors proposed to be appointed/re-appointed as required under Clause 49 IV(G)(i) of the Listing Agreement with the Stock Exchanges formed a part of the explanatory statement of the notice for Annual General Meeting.
- C. The Company has also passed a special resolution at the Extraordinary General Meeting of the Company held on 12 May 2014, under Section 42 and 62 of the Companies Act, 2013 with respect to issuance of fresh Equity Shares of the Company on preferential basis to the Promoter/Promoter Group Companies of the Company.
- D. During the Financial Year 2014-15, the Company had conducted two Postal Ballots under the Companies (Management and Administration) Rules, 2014. M/s. Bihani Rashmi & Co., Practicing Chartered Accountants, were appointed as the Scrutinizer for overseeing the Postal Ballot and e-voting process.

The particulars of resolutions that were passed with requisite majority by the Members through two postal ballots during the year under review are given below:

Date of Declaration of Postal Ballots Results	Type of Resolutions	Particulars of Resolutions	% of votes cast in favour of Resolution
26 August 2014	Special Resolutions	<ol style="list-style-type: none"> 1. Authority for borrowing upto Rs.2,500 Crore under Section 180(1)(c) of the Companies Act, 2013 2. Authority for creation of Charge under Section 180(1)(a) of the Companies Act, 2013 3. Revision of Limits set under Section 186 of the Companies Act, 2013 	<p>99.97%</p> <p>99.97%</p> <p>98.52%</p>
20 December 2014	Special Resolutions	<ol style="list-style-type: none"> 1. Revision of Limits set under Section 186 of the Companies Act, 2013 2. Delisting of Global Depository Receipts of the Company from London Stock Exchange 	<p>99.96%</p> <p>99.99%</p>

Note: % figures have been rounded off to nearest two decimal points.

Procedure followed for both the aforesaid Postal Ballot exercise : Members were provided with the facility to cast their vote by using e-voting platform of National Securities Depository Limited or by sending Postal Ballot Form. The Postal Ballot Notice, Ballot Form and accompanying documents were dispatched to shareholders along with postage pre-paid envelope via Registered Post. The process of e-voting was followed as per Companies (Management and Administration) Rules, 2014. The Scrutinizer submitted a Report on combined voting i.e. e-voting as well as Postal Ballot. The Results were declared on the basis of the Scrutinizer's Report.

As on date, no special resolution is proposed to be conducted through Postal Ballot.

6. Code of Conduct

A Code of Conduct has been laid down for all Board Members and Senior Management of the Company. The same was revised by the Board of Directors in its meeting held on 29 October 2014

to bring the Code in line with the requirements of Companies Act, 2013. All the Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company. A declaration signed by the Managing Director to this effect is annexed hereto. The Code is also posted on the Company's website at the web link -<http://www.electrosteelcastings.com/investors/pdf/code-of-conduct-49.pdf>.

7. Disclosures

A. Materially significant related party transactions having potential conflict with the interest of the company at large.

There were no materially significant related party transactions which may have potential conflict with the interest of the Company at large. Details of materially significant related party transactions are presented in the Notes to the Financial Statements. The related party transaction policy of the Company is hosted on the website of the Company at the web link- <http://www.electrosteelcastings.com/investors/pdf/related-party-transaction-policy.pdf>.

B. Penalties/Strictures imposed by Stock Exchanges/SEBI during last 3 years

During the last three years, no penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets.

C. Vigil Mechanism

The Company have adopted a Whistle Blower Policy towards Vigil Mechanism and the same is hosted on the website of the Company at web link - <http://www.electrosteelcastings.com/investors/pdf/vigil.pdf>. No personnel was denied access to the Audit Committee.

D. Unclaimed Dividends

A separate section on Unclaimed Dividends on the website of the Company at web link - <http://www.electrosteelcastings.com/investors/unclaimed-dividend.asp> provides information on unclaimed dividends in the interest of investors of the Company. The Company intimates its shareholders through written communication requesting them to claim their unclaimed dividends before the same are transferred to Investor Education & Protection Fund Account of the Central Government.

8. Means of Communication

The Company's quarterly/half-yearly/yearly financial results are published in national english newspaper(s) as well as newspaper(s) published in vernacular language of the region where the Registered Office of the Company is situated, such as, The Economic Times, Business Line, Business Standard, Financial Express, Mint and Lokakatha. The Company also submits its releases and financial results to the Stock Exchanges on which the securities of the Company are listed i.e. The National Stock Exchange of India and BSE limited. The Company's results and official news releases, presentations made to institutional investors or to the analysts, if any, are also displayed on the Company's website www.electrosteel.com.

9. Investor Grievance Redressal

The Company receives grievances, if any, from its investors either through a written process i.e. letters, emails or fax messages or through verbal communication by means of phone calls etc. at its Registered Office at Dist. Sundergarh, Odisha or at Corporate Office at Kolkata or at the Office of Company's Registrars & Share Transfer Agents. The relevant details of Registrars & Share Transfer Agents are given in point no. 7 of Shareholder Information section. The Company has dedicated a designated email id i.e. companysecretary@electrosteel.com to enable members and other investors to correspond with the Company.

Shareholder Information

1. Annual General Meeting

a) Date, time and venue of the next Annual General Meeting	Friday, 11 September 2015, at 11.30 A.M., at Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017, India
b) Financial Year	1 April 2014 to 31 March 2015
c) Date of Book Closure	5 September 2015 to 11 September 2015 (both days inclusive)
d) Dividend Payment Date	On or before 10 October 2015
e) Outstanding ADRs / GDRs / warrants or any convertible instruments, conversion date and likely impact on equity.	21,05,000 GDRs were outstanding as on 31 March 2015 and represented an equal number of underlying Equity Shares. Since the underlying Equity Shares represented by GDRs have been allotted in full, the outstanding GDRs have no impact on the Equity Share Capital of the Company.
f) Listing at Stock Exchanges i) Equity shares & its Stock Codes at Stock Exchanges	<p>a) BSE Limited (BSE) P. J. Towers, Dalal Street, Mumbai 400 001 (Scrip Code - 500128)</p> <p>b) The National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor Bandra Kurla Complex, Bandra (East), Mumbai 400 051 (Symbol - ELECTCAST)</p> <p>ISIN for Equity Shares - INE086A01029</p>
ii) Secured Redeemable Non Convertible Debentures of Rs.10,00,000/- each (NCDs)	All NCDs issued by the Company are listed at The National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
10.75% NCD	Stock Code - ELCA17; ISIN No. INE086A07117
11% NCD	Stock Code - ELCA18; ISIN No. INE086A07125
12.50% NCD	Stock Code - ELCA18; ISIN No. INE086A07133
g) Listing Fee to Stock Exchanges	Listing Fees for the financial year 2015-16 have been paid to BSE and NSE for both Equity Shares and NCDs.



Notes:

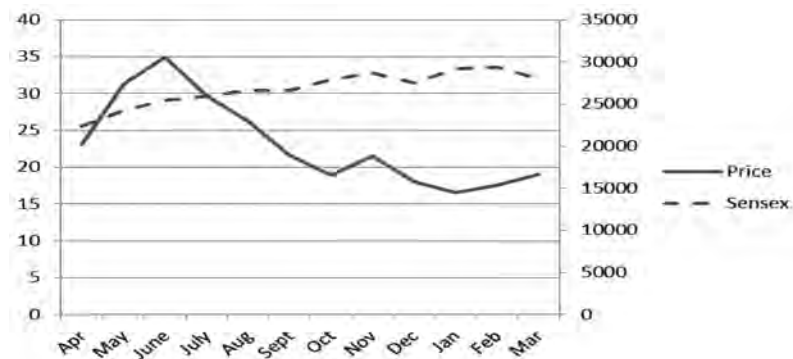
- (i) The GDRs of the Company had been delisted from London Stock Exchange with effect from 26 February 2015; and
- (ii) 3,35,68,312 warrants issued by the Company on 8 February 2010 were not exercised within its tenure and hence the same stand extinguished during the year under review.

2. Market Price data for the Scrip of the Company during the Financial Year 2014-15

Month	BSE Limited (BSE)			The National Stock Exchange of India Limited (NSE)		
	High Price (Rs.)	Low Price (Rs.)	Volume (No.)	High Price (Rs.)	Low Price (Rs.)	Volume (No.)
Apr-14	26.35	15.80	53,22,469	26.40	16.00	1,43,69,378
May-14	35.00	21.10	1,45,49,456	34.90	21.15	2,29,74,815
Jun-14	36.90	28.80	1,00,36,165	36.95	28.80	2,70,06,184
Jul-14	35.95	29.05	57,23,453	36.00	28.20	1,41,46,660
Aug-14	31.65	24.90	61,14,393	31.65	25.00	1,56,11,533
Sep-14	29.65	19.30	64,99,391	29.65	19.15	1,51,95,868
Oct-14	21.95	18.50	27,33,731	21.95	18.75	68,06,758
Nov-14	22.10	19.00	41,69,764	22.10	19.00	1,07,94,655
Dec-14	22.00	15.05	44,75,635	22.00	15.10	1,14,49,616
Jan-15	19.40	16.35	21,17,083	19.30	16.35	49,81,536
Feb-15	19.15	16.25	32,96,195	19.45	16.15	55,40,345
Mar-15	23.80	16.65	66,73,756	23.95	16.65	1,48,23,809

3. Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty for the Financial Year 2014-15

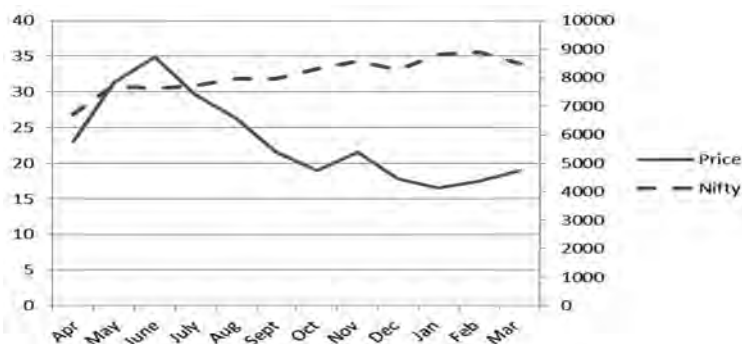
a) In comparison with BSE Sensex #



Monthly Closing prices of the Scrip and monthly Closing indices have been taken from BSE Limited website.

Corporate Governance (Contd.)

b) In comparison with NSE Nifty



Monthly Closing prices of the Scrip and monthly Closing indices have been taken from the National Stock Exchange of India Limited website.

4. Distribution of shareholding as on 31 March 2015

Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Shares held
Upto 500	42,222	65.36	88,54,011	2.48
501 to 1,000	9,808	15.18	86,08,654	2.41
1,001 to 2,000	6,010	9.30	99,10,993	2.78
2,001 to 3,000	1,929	2.99	50,55,066	1.41
3,001 to 4,000	1,112	1.72	40,97,051	1.15
4,001 to 5,000	909	1.41	43,47,373	1.22
5,001 to 10,000	1,356	2.10	1,02,09,962	2.86
10,001 and Above	1,254	1.94	30,58,72,212	85.69
Total	64,600	100.00	35,69,55,322	100.00

Note: % figures have been rounded off to nearest two decimal points.

5. Shareholding pattern as on 31 March 2015

Sl. No.	Shareholder Category	No. of Equity Shares	% share-holding
A.	Promoter and Promoter Group		
1.	Individuals / Hindu Undivided Family	4,09,50,003	11.47
2.	Bodies Corporate	14,82,74,369	41.54
B.	Public Shareholding		
1.	Institutions	3,59,55,190	10.07
2.	Non Institutions		
a.	Bodies Corporate	2,24,63,604	6.30
b.	Individuals and others	10,72,07,156	30.03
3.	GDRs	21,05,000	0.59
	Total	35,69,55,322	100.00

Note: % figures have been rounded off to nearest two decimal points.

6. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

In compliance with the provisions of Section 205A of the Companies Act 1956, the following amounts lying as unclaimed dividend were transferred to Investor and Education Protection Fund (IEPF) of the Central Government after issuing written reminder to the concerned shareholders.

For the Year	Amount (in Rs.)
2006-07	10,88,775
2007-08 (Interim)	12,26,448
Total	23,15,223

Dividend which remain unclaimed out of the dividend paid for the financial year 2007-08 - Final Dividend, will be transferred to IEPF during September 2015 pursuant to the provisions of Section 205A of the Companies Act, 1956. Individual notices have already been sent to the shareholders concerned by 18 August 2014.

7. OTHER INFORMATION

Registrar and Share Transfer Agent for physical & dematerialised shares	M/s. Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata 700 001 Phone: 033 2248 2248/2243 5029 Fax: 033 2248 4787 E-mail: mdpldc@yahoo.com
Share transfer system	Share transfers are registered and returned within the period of 7 days from the date of lodgment if the documents are complete in all respect. The Company offers the facility of transfer cum dematerialisation to its shareholders.
Dematerialization of shares and liquidity	As per directives of SEBI, the Company's shares are tradable compulsorily in electronic form. The Company's shares are available for dematerialisation at National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE086A01029. As on 31 March 2015, 99.04% of the shares of the Company stand dematerialized.
Plant locations	Unit 1 : 30, B.T. Road, Sukchar, Khardah 24-Parganas (North), West Bengal 743 179 Unit 2 : Gummidipoondi Taluk, P.O. Elavur, District Tiruvallur, Tamil Nadu 601 201 Unit 3 : Haldia, Kasberia P.O.Khanjan Chawk, Haldia Midnapore (East), West Bengal 721 635 Unit 4 : Parbatpur Coal Mine, P.O. Batbinor District : Bokaro, Jharkhand 827 013 (till 31 March 2015) Unit 5 : Bansberia Works, Saptagram Panchayat P.O. Adconnagar, Chak Bansberia West Bengal 712 121

Corporate Governance (Contd.)

Address for Communication	Mr. Prem Kumar Bafana Company Secretary Electrosteel Castings Limited G.K. Tower, 19, Camac Street, Kolkata 700 017 Phone: (033) 2283 9990 Email: companysecretary@electrosteel.com
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For and on behalf of the Board of Directors

Pradip Kumar Khaitan
Chairman
DIN : 00004821

Place : Kolkata
Date : 12 May 2015

Declaration for Compliance of Code of Conduct

To
The Members of
Electrosteel Castings Limited

I hereby declare that the Company has obtained affirmation from all the members of Board of Directors and Senior Management Executives of the Company that they have complied with the 'Code of Conduct of the Company for Board of Directors and Senior Management Executives' in respect of Financial Year 2014-15.

Place: Kolkata
Date : 12 May 2015

Umang Kejriwal
Managing Director



Auditors' Certificate on Corporate Governance

To The Members of Electrosteel Castings Limited

We have examined the compliance of conditions of corporate governance by Electrosteel Castings Limited, for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lodha & Co.
Chartered Accountants
Firm ICAI Regn. No. : 301051E

Place : Kolkata
Date : 12th May, 2015

R. P. Singh
Partner
Membership no.: 52438

Nomination & Remuneration Policy

1. Preface

Nomination & Remuneration Policy (hereinafter referred to as 'the policy') of Electrosteel Castings Limited, comprising members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and Senior Executives of the Company (Collectively known as "Executives").

- a. The Board of Directors has adopted the Nomination & Remuneration Policy at the recommendation of the Nomination & Remuneration Committee. The policy shall apply to remuneration earned and appointment of the 'Board, KMPs and other employees' done on and after 1st April, 2014.
- b. This policy was laid down on the basis of an overall assessment of the size of the Company, its organisation and the complexity of its activities. The purpose is to have a policy that is consistent and promotes sound and effective risk management and which is aligned with the Company's strategy, values and goals and the interests of customers and investors.
- c. The salient features of the Policy shall be disclosed in Board's Report of the Company.
- d. The Policy will be reviewed at least once in a year by the Nomination and Remuneration Committee of the Board of Directors or as and when the Committee deems fit.

2. Commencement

The Nomination and Remuneration Policy of the Company is formulated in terms of Section 178 of Companies Act, 2013 and Clause 49 of Listing Agreement as revised from time to time. This policy governs Policy relating to directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 commences on or after 1st April, 2014.

3. Definitions

- a) "Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the company;
- b) "Chief Executive Officer" means an officer of a company, who has been designated as such by it;
- c) "Chief Financial Officer" means a person appointed as the Chief Financial Officer of a company;
- d) "Company Secretary" or "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by



a company to perform the functions of a company secretary under this Act;

- e) "*Director*" means a director appointed to the Board of a company;
 - f) "*Executives*" means persons holding the position of one level below the Key Managerial Personnel
 - g) "*Senior Management*" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads
 - h) "*Key Managerial Personnel*", in relation to a company, means-
 - (i) the Chief Executive Officer or the managing director or the manager;
 - (ii) the company secretary;
 - (iii) the whole-time director;
 - (iv) the Chief Financial Officer; and
 - i) "*Manager*" means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not;
 - j) "*Managing Director*" means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.
- Explanation** – For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;
- k) "Whole-Time Director" includes a director in the whole-time employment of the company;

4. Purpose

This Policy shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, KMPs and Executives.

5. Aims & Objectives

The aims and objectives of this policy may be summarized as follows:

- i. The Nomination & Remuneration Policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level.

Nomination & Remuneration Policy (Contd.)

- ii. The policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- iii. The policy will ensure that the interests of Board members, KMPs & all employees are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- iv. The policy will ensure that remuneration to directors, key managerial personnel and employees involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

6. Selection of Board Members & KMPs

The Nomination & Remuneration Committee of the Board of Directors has the responsibility of identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees, formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis; formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized.

The Committee shall review the ongoing appropriateness and relevance of the remuneration policy; ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled; obtain reliable, up-to-date information about remuneration in other companies; ensure that no director or executive is involved in any decisions as to their own remuneration.

Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member. The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

Procedure for the Selection and Appointment of Executives other than Board Members

- a. The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- b. The Committee may conduct a wide-ranging search for candidates for the positions of KMP and Executives within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;
- c. The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- d. A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and Executives;
- e. Before the selection of KMP or Executives, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;



- f. The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

7. Compensation Structure

The Managing Director, Key Managerial Personnel and Senior Management Personnel (other than Non-executive Directors) receive Basic Salary and other Perquisites. The Perquisites include other allowances. The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors :

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and industrial Obligations

Remuneration for Non-Executive Director

Non-executive Directors are remunerated to recognize responsibilities, accountability and associated risks of Directors. The total remuneration of Non-executive Directors may include all, or any combination of following elements :

- i. Fees for attending Board, Committee and other meetings as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors
- ii. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Non-executive Director.
- iii. Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at the Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

Remuneration for Executive Directors and KMPs

Remuneration to be paid to Executive Directors (including Managing Director) and KMPs shall be within the scale as approved by the members of the Company. The elements of total compensation shall be recommended by the Nomination & Remuneration Committee and also be approved by the Board. The same shall be within the overall limits as specified under the Companies Act, 2013.

The Nomination & Remuneration Committee determines the annual variable pay compensation in the form of annual incentive/commission for the Executive Directors of the Company.

Executive Directors will not be paid any sitting fees for any Board/Committee meeting of the Company.

8. Process For Evaluation and approval

The Nomination & Remuneration Committee of the Board is responsible for the evaluation of Board performance. This policy as framed by the Committee shall be recommended to the Board of Directors for its approval.



Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2014-15

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programs:

Electrosteel Castings Limited ("ECL/the Company") as a responsible corporate citizen recognises that the growth of the nation lies in improving the quality of life of the rural populace and the long term future of the Company is best served by addressing the interests of the surrounding communities. The Company has formulated its Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the website at the web link <http://www.electrosteelcastings.com/investors/pdf/CSR-policy.pdf>. The CSR Policy lays down the activities to be undertaken by the Company as a part of its CSR activities.

- a) The brief outline of the contents of CSR Policy are as follows :
 - i) **Area of Operations** - The focus areas would be in the surrounding of the Company's Corporate Office at Kolkata and Plants at Khardah, Bansberia & Haldia in West Bengal, Elavur in Tamil Nadu and mines located at Bokaro in Bihar.
 - ii) **CSR Interventions** - CSR thrust shall be in the field of Healthcare & Sanitation, Drinking water, Education, Livelihood enhancement, Environmental Sustainability & Rural development projects. It will also undertake programs to promote rural sports and culture, conservation of natural resources, skill development, entrepreneurship building and other community need based infrastructure projects/activities as stated in Schedule VII of the Companies Act, 2013.
 - iii) **Approach** - The Company shall follow the process of community need identification and selection of the projects through partnership, affirmative action towards targeted intervention for scheduled castes and tribes etc.
 - iv) **Delivery mechanism responsibilities** - The planning, implementation, execution, monitoring and reporting will be done through the Committee with the help of other departments and/or any registered trust/society.
- b) With this firm conviction & commitment, the Company has been undertaking rural development projects with focus on social and environmental care to bring economic and social upliftment in the lives of the people in the surrounding areas where the Company operates as well as at other places across the country. The Company had contributed to various trusts and society(ies) for upliftment of society via imparting education, protecting orphans and abandoned children with abilities and differing abilities.

2. The composition of the CSR Committee is :
 Mr. Shermadevi Yegnaswami Rajagopalan, Chairman
 Mr. Pradip Kumar Khaitan, Member
 Mr. Umang Kejriwal, Member
3. Average Net Profit of the Company for last three Financial Years : Rs.9,211.41 Lakhs.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs.184.23 Lakhs
5. Details of CSR spent during the financial year :
 - (a) Total amount to be spent for the financial year : Rs.184.23 Lakhs
 - (b) Amount unspent, if any : NIL
 - (c) Manner in which the amount spent during the financial year is detailed below :

S. No.	CSR Project or activity identified	Sector in which the Project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)	Projects or Programs 1) Local Area or other 2) Specify the State & District where projects or programs was undertaken	Amount Outlay (budget) projects or programwise (in Rs.)	Amount spent on Projects or Programs Sub-heads (1) Direct expenditure on Projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto the Reporting Period (as on 31.03.2015) (in Rs.)	Amount Spent (Direct or through Implementing Agency)
1.	Providing medical treatment to the poor	Clause (i) - Promoting preventive health care & sanitation	Local Area- Khardah and Titagarh	50,000	14,500	47,600	Direct
	Promoting blood donation camps				8,700		
	Maintaining healthy & clean environment in nearby locality				21,400		
	Healthy food supply to the patients				3,000		
	Conducting Blood donation camp at Head Office		Local Area- Kolkata	50,000	36,800	36,800	
	Providing medical treatment to the poor through MHU		Local Area- Bokaro	12,18,950	6,43,732	6,43,732	
	Awareness and Sensitization to villagers on health issues						

CSR Activities (Contd.)

S. No.	CSR Project or activity identified	Sector in which the Project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)	Projects or Programs 1) Local Area or other 2) Specify the State & District where projects or programs was undertaken	Amount Outlay (budget) projects or programwise (in Rs.)	Amount spent on Projects or Programs Sub-heads (1) Direct expenditure on Projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto the Reporting Period (as on 31.03.2015) (in Rs.)	Amount Spent (Direct or through Implementing Agency)
	Ambulance service						
	Blood Donation camp						
	Medical services through Hospitals			10,50,000	10,00,000	10,00,000	Sparsh Trust
	Conducting Blood donation camp		Local Area - Bansberia	25,000	5,000	25,000	Direct
	Distribution of Cold & safe Drinking water during summer season				20,000		
	Providing shelter & mobile health services to BPL & tribal families		South 24 Parganas & Malda, West Bengal	50,00,000	47,00,000	47,00,000	Sahara Health & Education Society
	Arrangement of water through tanker to the villages	Clause (i) - Making available safe drinking water and promoting sanitation	Local Area - Bokaro	9,32,100	5,58,323	5,58,323	Direct
	Installation and repairing of tubewell						
	Installation of toilets						
	Excavation of pond and well						
	Bleaching powder distribution						
	Arrangement of blankets for poor during winter	Clause (i) - Eradication of poverty		4,00,000	2,28,240	2,28,240	
2.	Establishment of Micro enterprises like tailoring and sewing centres, puffed rice units, small scale units	Clause (ii) - Promoting livelihood and employment enhancement projects	Local Area - Bokaro	13,70,000	5,35,638	5,35,638	Direct



S. No.	CSR Project or activity identified	Sector in which the Project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)	Projects or Programs 1) Local Area or other 2) Specify the State & District where projects or programs was undertaken	Amount Outlay (budget) projects or programwise (in Rs.)	Amount spent on Projects or Programs Sub-heads (1) Direct expenditure on Projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto the Reporting Period (as on 31.03.2015) (in Rs.)	Amount Spent (Direct or through Implementing Agency)
	Skill development training to youths						
	High yield agriculture training						
	SRI programme with farmers						
	Helping poor meritorius students for education	Clause (ii) - Promoting education including special education	Local Area near Khardah - Patulia	2,00,000	31,700	1,66,950	
	Maintenance of school buildings and furnitures		Local Area near Khardah - Bongaon		1,08,500		
	Distribution of school bags and uniform to students		Local Area near Khardah - Rahara		21,750		
	Distribution of utensils for providing healthy mid day meal in schools		Local Area near Khardah - Patulia		5,000		
	Promoting education amongst local children & schools		Local Area - Elavur	40,000	35,610	35,610	
	Running of special tuition centres for poor students		Local Area - Bokaro	22,56,600	2,20,977	2,20,977	
	Adult education initiative involving schools						
	Maintenance of school buildings and furnitures						
	Distribution of school bags and uniform to students						

CSR Activities (Contd.)

S. No.	CSR Project or activity identified	Sector in which the Project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)	Projects or Programs 1) Local Area or other 2) Specify the State & District where projects or programs was undertaken	Amount Outlay (budget) projects or programwise (in Rs.)	Amount spent on Projects or Programs Sub-heads (1) Direct expenditure on Projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto the Reporting Period (as on 31.03.2015) (in Rs.)	Amount Spent (Direct or through Implementing Agency)
	Educational assistance to the poor children of the local community		Local Area - Bansberia	15,000	15,000	15,000	
	Degree & Diploma level Engineering Programme		South 24 Parganas, West Bengal	50,00,000	37,00,000	37,00,000	Jagannath Gupta Family Trust
	School Bus		Delhi	17,38,000	17,00,000	17,00,000	Akshay Partisthan
3.	Distribution of clothes to local downtrodden people	Clause (iii) - Reducing inequalities faced by socially and economically backward groups	Local Area - Khardah	50,000	35,000	35,000	Direct
	Protecting orphan & abandoned children		Local Area - Bansberia	20,000	20,000	20,000	
	Formation & management of SHG		Kolkata & 24 Parganas (S), West Bengal	50,00,000	50,00,000	50,00,000	Red Plus Society
	Financial literacy programme with rural women	Clause (iii) - Women Empowerment & promotion of gender equality	Local Area - Bokaro	5,18,500	1,33,413	1,33,413	Direct
4.	Tree plantation in schools	Clause (iv) - Ensuring environmental sustainability, ecological balance and protection of flora & fauna	Local Area - Bokaro	9,76,600	68,215	68,215	Direct
	Solar light installation in villages						
	Establishment of bio fertiliser units in villages						
	Part sponsoring in International Environment Conference		Local Area - Khardah	30,000	30,000	30,000	
5.	Participation in various cultural fairs & festivals	Clause (v) - Protection of Art & Culture	Local Area - Rahara	5,15,000	5,61,120	5,61,120	Direct



S. No.	CSR Project or activity identified	Sector in which the Project is covered (Clause no. of Schedule VII to the Companies Act, 2013, as amended)	Projects or Programs 1) Local Area or other 2) Specify the State & District where projects or programs was undertaken	Amount Outlay (budget) projects or programwise (in Rs.)	Amount spent on Projects or Programs Sub-heads (1) Direct expenditure on Projects or programs (2) Overheads (in Rs.)	Cumulative expenditure upto the Reporting Period (as on 31.03.2015) (in Rs.)	Amount Spent (Direct or through Implementing Agency)
	Refurbication of Hari Mandir	Clause (v) - Restoration of buildings & sites of historical importance	Local Area - Bokaro	6,95,000	56,079	56,079	
6.	Helping in conducting various recognised sports tournaments & activities	Clause (vii) - Training & Promoting Sports activities (National & International)	Local Area - Khardah	1,75,000	91,000	1,48,000	Direct
	Helping in procuring of sports kits & dresses				10,000		
	Development of local sports club				47,000		
	Distribution of sports kits to local talented players		Local Area - Bokaro	1,16,700	8,723	8,723	
	Arrangement of sports meet in schools						
7.	Administrative Expense	Capacity building & training expenses up to 5% of actual expenditure	Local Area - Bokaro	4,08,800	1,76,500	1,76,500	Direct
TOTAL				2,78,51,250	1,98,50,920	1,98,50,920	

6. CSR Committee Responsibility Statement

The implementation and monitoring of CSR Policy is in compliance of CSR objectives and Policy of the Company.

Umang Kejriwal
Managing Director

Shermadevi Yegnaswami Rajagopalan
Chairman of CSR Committee

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees for financial year 2014-15 is as under :

Name of the Director	Ratio of remuneration of each Director to Median remuneration
Pradip Kumar Khaitan, Chairman - Independent Director	4.57
Jamshed Jiji Irani, Independent Director	5.36
Binod Khaitan, Independent Director	4.50
Bhaskara Nageswararao Mandavilli, Independent Director ¹	3.74
Naresh Chandra, Non-Executive Non Independent Director	5.29
Shermadevi Yegnaswami Rajagopalan, Non-Executive Non Independent Director	4.14
Rama Shankar Singh, Non Executive Non Independent Director ²	0.18
Nityangi Kejriwal, Non-Executive Non Independent Director ³	--
Umang Kejriwal, Managing Director	111.02
Mayank Kejriwal, Joint Managing Director	29.08
Uddhav Kejriwal, Whole-time Director	75.23
Vyas Mitre Ralli, Whole-time Director	48.26
Mahendra Kumar Jalan, Whole-time Director	48.91

Notes:

1. Mr. Bhaskara Nageswararao Mandavilli ceased to be a Director of the Company w.e.f. 27 March 2015.
 2. Mr. Rama Shankar Singh ceased to be a Director of the Company w.e.f. close of business hours on 31 March 2015.
 3. Ms. Nityangi Kejriwal was appointed as a Non-Executive Director of the Company with effect from close of business hours on 31 March 2015 in the casual vacancy caused by the resignation of Mr. Rama Shankar Singh.
- (ii) The percentage increase in remuneration of each Director and Company Secretary in the Financial Year 2014-15 is as under :

Name	% increase in Remuneration during the financial year 2014-15
Pradip Kumar Khaitan, Chairman - Independent Director	86.76
Jamshed Jiji Irani, Independent Director	18.25
Binod Khaitan, Independent Director	60.26
Bhaskara Nageswararao Mandavilli, Independent Director	33.33
Naresh Chandra, Non Executive Non Independent Director	8.09
Shermadevi Yegnaswami Rajagopalan, Non-Executive Non Independent Director	69.12
Rama Shankar Singh, Non-Executive Non Independent Director ¹	(99.54)

Name	% increase in Remuneration during the financial year 2014-15
Umang Kejriwal, Managing Director	73.45
Mayank Kejriwal, Joint Managing Director ²	(54.81)
Uddhav Kejriwal, Whole-time Director	12.94
Vyas Mitre Ralli, Whole-time Director	5.60
Mahendra Kumar Jalan, Whole-time Director	4.29
Kavita Bhavsar, Company Secretary till 6.12.2014 ³	3.53 ^
Prem Kumar Bafana, Company Secretary from 15.12.2014 ³	-

^ Calculated on annualised basis.

Notes:

1. The designation of Mr. Rama Shankar Singh changed from Executive to Non-Executive Director during the previous year w.e.f. 5 February 2014. Therefore, his remuneration for the current year is not comparable with previous year.
 2. The remuneration of Mr. Mayank Kejriwal for the financial year is not comparable with previous financial year since no commission was paid to him during the year under review. He is also the Managing Director of M/s. Srikalahasthi Pipes Limited (SPL) and the remuneration received from the Company and SPL aggregated to the maximum remuneration that can be drawn by him under the provisions of Section V of Part II of Schedule V of the Companies Act, 2013. Consequently, he was not paid any Commission from the Company during the year under review.
 3. Ms. Kavita Bhavsar ceased to be the Company Secretary w.e.f. 6 December 2014 and Mr. Prem Kumar Bafana was appointed as Company Secretary w.e.f. 15 December 2014 and therefore, their respective remuneration are not comparable with previous year.
 4. The Remuneration of Independent Directors and Non Independent Non-Executive Directors comprised of sitting fees and commission. The sitting fees was increased from Rs.20,000 per meeting to Rs.50,000 per meeting for attending Board & Audit Committee meetings and for the meeting of Independent Directors of the Company, the sitting fees was fixed at Rs.50,000 per meeting. The fees for attending any other meeting was fixed at Rs.20,000 per meeting during the financial year 2014-15. There was no change in amount of commission paid to the Non-Executive Directors during the year as compared to the previous year.
- (iii) The percentage increase in the median remuneration of employees in the financial year: 10.32%.
- (iv) The number of permanent employees on the rolls of Company: 1,938 as on 31 March 2015.
- (v) The explanation on the relationship between average increase in remuneration and company performance: The increase in remuneration was as per the policy of the Company, which seeks to provide a well-balanced and performance-related compensation package, taking into account the Company's business interests, industry standards and applicable corporate regulations.
- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :

	Rs. in Crores
Remuneration of Key Managerial Personnel (KMP) during the financial year 2014-15 (aggregated)	8.95
Revenue from Operations in 2014-15	2,153.78
Remuneration of KMP as a % of Revenue from Operations	0.42%
Profit before Tax (PBT) in 2014-15	96.34
Remuneration of KMP as a % of PBT	9.29%

- (vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies–

The Market Capitalisation as on 31 March 2015 was Rs.678 Crores approx. as compared to Rs.563 Crores approx. as on 31 March 2014. (Closing Price of Share of the Company at BSE Limited on 31 March 2014 and 31 March 2015 has been considered).

Price Earnings ratio as at the closing date of the current financial year was 9.27 and as at the close of the previous financial year was 5.42.

The last offer for sale to public (i.e. shares were offered for sale to the public) was made in the year 1960 at par, i.e. at Rs.10/- per equity share of face value of Rs.10/- each. The closing share price of the Company at BSE Limited on 31 March 2015 was Rs.19.00 per equity share of face value of Re.1/- each. The percentage increase in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with last public offer has been 7500% (approx.) after adjusting for stock split and bonus issues to date.

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

Average % increase in salaries (median remuneration) of employees, other than managerial personnel in the last financial year i.e. 2014-15 was around 10.36% and the percentage decrease in managerial remuneration for the said financial year was 4.34%. This was due to annual increments, promotions and event based pay revisions of the employees. The remuneration of managerial personnel is linked to profit as per the provisions of the Companies Act, 2013.

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company :

Rs. in Crores					
Name of the KMP	Remuneration in FY 2014-15	Revenue from Operations	Remuneration as a % of Revenue	Profit before Tax (PBT)	Remuneration as a % of PBT
Umang Kejriwal, Managing Director	3.09	2153.78	0.14%	96.34	3.21%
Mayank Kejriwal, Joint Managing Director	0.81		0.04%		0.84%
Uddhav Kejriwal, Whole-time Director	2.09		0.10%		2.17%
Vyas Mitre Ralli, Whole-time Director	1.34		0.06%		1.39%
Mahendra Kumar Jalan, Whole-time Director	1.36		0.06%		1.41%
Kavita Bhavsar, Company Secretary ¹	0.17		0.01%		0.18%
Prem Kumar Bafana, Company Secretary ¹	0.09		0.00		0.09%

Note: 1. Part of the year.

- (x) The key parameters for any variable component of remuneration availed by the directors :

The variable component of Directors' remuneration consists of commission which is calculated with reference to the net profits of the Company in a particular financial year and determined by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, separately for Non-Executive and Executive

Directors in accordance with the applicable provisions of the Companies Act, 2013. In terms of the Shareholders' approval received at the Annual General Meeting held on 28 August 2014, commission is paid to the Non-Executive Directors at a sum not exceeding 1% per annum of the net profits of the Company which is distributed in such amounts or proportions and in such manner and in all respects as may be directed and decided by the Board. The Company also pays remuneration by way of Commission to the Managing Director, Joint Managing Director and a Whole-time Director as per their respective terms of appointment, subject to the overall ceiling of remuneration as payable to Executive Directors under the provisions of the said Act.

- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

No employee has received remuneration in excess of the highest paid director during the year 2014-15.

- (xii) Affirmation that the remuneration is as per the remuneration policy of the Company :

The remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED - 31.03.2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
ELECTROSTEEL CASTINGS LIMITED
Regd. Office - Rathod Colony,
P.O. Rajgangpur, Dist - Sundergarh
Odisha - 770 017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ELECTROSTEEL CASTINGS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (A statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and read with the Statutory Auditors' Report on Financial Statements and Compliance of the conditions of Corporate Governance and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the company has, during the audit period covering the financial year ended on 31.03.2015 generally complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by ELECTROSTEEL CASTINGS LIMITED for the financial year ended on 31.03.2015 according to the applicable provisions of :

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the company - **As reported to us, there were no FDI transaction in the company during the year under review.**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the company:-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 : **Not Applicable During the year.**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 : **No instances were reported during the year.**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **The Company has appointed a SEBI authorized Category I Registrar and Share Transfer Agent.**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: **No buy - back was done during the year.**

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India: **Not yet notified.**
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following observations:

- I. The Company is yet to appoint a CFO.

We further report that as far as we have been able to ascertain –

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Further, consequent upon the resignation of one Independent Director on 27.03.2015, the Board is in the process of appointing a new Independent Director as required under the Act and the Listing Agreement.
- 2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- 4. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that as informed to us, during the audit period the company has had the following specific events:

- 1. Issue of 13138000 equity shares of Re. 1/- each on private placement basis to promoter companies at a price of Rs. 19.03 per share.
- 2. Delisting of GDRs of the Company from the London Stock Exchange.
- 3. We understand that in pursuance of the Hon'ble Supreme Court of India Order dated September 24, 2014 cancelling the coal blocks allotted in earlier years to various companies and Ordinance promulgated by The Government of India, Ministry of Law and Justice (Legislative Department) on October 21, 2014 ('the ordinance') for implementing the order of Supreme Court and fixation of compensation, etc. to the existing allottees, the Company's Parbatpur coal block and North Dhadhu coal block allotted to it jointly with other companies stood cancelled.

Secretarial Audit Report (Contd.)

4. Scheme of Amalgamation of Mahadev Vyapaar Private Limited with the Company is in the process of sanction by respective High Courts.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the Company and its Officers for systems and mechanism set-up by the company for compliances under applicable laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities/ statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

Place : Calcutta
Date : 12.05.2015
Encl : Annexure 'A' forming an integral part of this Report

(S.M.Gupta)
S. M. Gupta & Co.
FCS No.: 896
C P No.: 2053

Annexure – ‘A’

To,
The Members
ELECTROSTEEL CASTINGS LIMITED
Regd. Office - Rathod Colony,
P.O. Rajgangpur, Dist- Sundergarh
Odisha - 770 017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audits.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the fairness of the contents of the Secretarial records. The verification was done on test basis to ensure that facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis to the extent applicable to the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Calcutta
Date : 12.05.2015

(S.M.Gupta)
S. M. Gupta & Co.
FCS No.: 896
C P No.: 2053



Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

- i) CIN : L27310OR1955PLC000310
- ii) Registration Date : 26 November 1955
- iii) Name of the Company : Electrosteel Castings Limited
- iv) Category / Sub-Category of the Company : Public Company - Limited by Shares
- v) Address of the Registered Office and contact details : Rathod Colony, Rajgangpur,
Sundergarh, Odisha 770 017
Telephone No.: 066 2422 0332
Fax No.: 066 2422 0332
E-mail Id: companysecretary@electrosteel.com
- vi) Whether listed company : Yes
Yes/ No
- vii) Name, Address and contact details of Registrar & Transfer Agents (RTA), if any : M/s. Maheshwari Datamatics Private Limited
6, Mangoe Lane,
2nd floor, Kolkata 700 001
Telephone No.: 033 2248 2248
Fax No.: 033 2248 4787
E-mail Id: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Ductile Iron Pipes & Cast Iron Pipes	24311	68.17%

Extract of Annual Return (Contd.)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1.	Electrosteel Europe S.A. Zone Industrielle Nord, 9, Rue Galilee F13200, Arles, France	RCS TARASCON 44029044300058	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013
2.	Electrosteel Algeria Spa Hai Amara lot N° 836 Section, Chéraga 16002 Algiers, Algeria	04B96523400/16	Subsidiary	100%	Sections 2(87) of the the Companies Act, 2013
3.	Electrosteel Castings (UK) Limited Ambrose House, Broombank Road Trading Estate, Broombank Road, Off Carrwood Road, Chesterfield, Derbyshire, S41 9QJ, UK	04057880	Subsidiary	100%	Sections 2(87) of the the Companies Act, 2013
4.	Electrosteel USA, LLC 1101, Louisville Road, Savannah, GA 31415, USA	42-1762327	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013
5.	Waterfab LLC 270 Doug Baker Blvd, Suite 700-291, Birmingham, 35242, USA	27-1116056	Wholly owned subsidiary of Electrosteel USA, LLC, referred to in Sl. No. 4	100%	Sections 2(87) of the Companies Act, 2013
6.	Electrosteel Trading S.A. Spain C/Velazquez, 19-28001, Madrid	A86354305	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013
7.	Mahadev Vyapaar Pvt Ltd. 25 Strand Road, Marshall House, Room No. 766, Kolkata 700 001, India	U51109WB 2005PTC106882	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013
8.	Electrosteel Doha for Trading LLC P. O. Box 80368, Building No. 17, Office No 35, Barwa Village, Wakra, Doha, Qatar	CR NO. 57450	Subsidiary	49%	Sections 2(87) of the Companies Act, 2013
9.	Electrosteel Castings Gulf FZE P O Box 261462 Jebel Ali, Dubai, UAE	Regn no. 153890	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013
10.	Electrosteel Brasil Ltda Tubos e ConexoesDuteis Rua Dona Maria Paula, 78, cj 01 sala 4, Bela Vista Sao Paulo, SP CEP 0139-000	17.581.655/0001-01	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013



III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
11.	Electrosteel Bahrain Holding S.P.C. Company Unit no. 2102, Building no. 2648, Road No. 5720 Area 257, Amwaj Island, Manama, Bahrain	CR No 92991-1	Subsidiary	100%	Sections 2(87) of the Companies Act, 2013
12.	Srikalahasthi Pipes Limited (formerly, Lanco Industries Limited) Rachgunneri Village, Srikalahasthi Mandal, Chittoor District Andhra Pradesh 517 641, India	L74999AP 1991PLC013391	Associate	48.54%	Sections 2(6) of the Companies Act, 2013
13.	Electrosteel Steels Limited 801, Uma Shanti Apartments, Kanke Road, Ranchi, Jharkhand 834 008, India	L27310JH 2006PLC012663	Associate	45.23%	Sections 2(6) of the Companies Act, 2013
14.	Electrosteel Thermal Power Limited 801, Uma Shanti Apartments, Kanke Road, Ranchi, Jharkhand 834 008, India	U45207JH 2006PLC012662	Associate	30%	Sections 2(6) of the Companies Act, 2013
15.	Domco Private Limited 403 Commerce House, Sarda Babu Street, Ranchi, Jharkhand 834 001, India	U23101JH 1988PTC002875	Joint Venture	50%	Sections 2(6) of the Companies Act, 2013
16.	North Dhadhu Mining Company Private Limited Sandhya Sukriti Apartment, Flat No. 6C, 6th Floor, Opposite Tagore Hill, Morabadi, Ranchi, Jharkhand 834 008, India	U10100JH 2008PTC013349	Joint Venture	48.98%	Sections 2(6) of the Companies Act, 2013

Extract of Annual Return (Contd.)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
(a) Individual / HUF	4,09,45,003	0	4,09,45,003	11.91	4,09,50,003	0	4,09,50,003	11.47	(0.44)
(b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	13,51,36,369	0	13,51,36,369	39.30	14,82,74,369	0	14,82,74,369	41.54	2.24
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)	17,60,81,372	0	17,60,81,372	51.21	18,92,24,372	0	18,92,24,372	53.01	1.80
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	17,60,81,372	0	17,60,81,372	51.21	18,92,24,372	0	18,92,24,372	53.01	1.80
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	30,00,000	200	30,00,200	0.87	30,00,000	200	30,00,200	0.84	(0.03)
(b) Banks / FI	10,19,896	10,120	10,30,016	0.30	12,68,199	10,120	12,78,319	0.36	0.06
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	2,53,53,164	0	2,53,53,164	7.37	2,43,34,235	0	2,43,34,235	6.82	(0.55)
(g) FIs	1,29,79,980	0	1,29,79,980	3.78	73,42,436	0	73,42,436	2.05	(1.73)
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others(specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	4,23,53,040	10,320	4,23,63,360	12.32	3,59,44,870	10,320	3,59,55,190	10.07	(2.25)



Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
B. Public Shareholding									
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	2,31,85,225	1,27,980	2,33,13,205	6.78	2,23,35,724	1,27,880	2,24,63,604	6.29	(0.49)
(ii) Overseas	2,74,80,414	0	2,74,80,414	7.99	2,74,80,414	0	2,74,80,414	7.70	(0.29)
(b) Individuals									
(i) Individual Shareholders holding nominal share capital up to Rs.1 lakh	5,83,61,930	33,79,820	6,17,41,750	17.96	6,41,32,629	31,62,910	6,72,95,539	18.85	0.89
(ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	76,22,475	0	76,22,475	2.22	96,45,629	0	96,45,629	2.70	0.48
(c) Others (specify)									
(i) Trust	43,500	63,310	1,06,810	0.03	22,739	63,310	86,049	0.03	0.00
(ii) Clearing Members	4,66,906	0	4,66,906	0.14	4,55,803	0	4,55,803	0.13	(0.01)
(iii) NRI/OBC	18,13,870	57,160	18,71,030	0.54	21,99,562	44,160	22,43,722	0.63	0.09
Sub-total (B)(2)	11,89,74,320	36,28,270	12,26,02,590	35.66	12,62,72,500	33,98,260	12,96,70,760	36.33	0.67
Total Public Shareholding (B)=(B)(1)+(B)(2)	16,13,27,360	36,38,590	16,49,65,950	47.98	16,22,17,370	34,08,580	16,56,25,950	46.40	(1.58)
C. Shares held by Custodian for GDRs & ADRs	27,70,000	0	27,70,000	0.81	21,05,000	0	21,05,000	0.59	(0.22)
Grand Total (A+B+C)	34,01,78,732	36,38,590	34,38,17,322	100.00	35,35,46,742	34,08,580	35,69,55,322	100.00	0.00

Extract of Annual Return (Contd.)

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	G K & Sons Private Ltd.	3,01,62,833	8.77	0.00	3,67,31,833	10.29	0.00	1.52
2.	Murari Investment & Trading Company Ltd.	3,00,53,080	8.74	4.75	3,00,53,080	8.42	4.57	(0.32)
3.	Electrocast Sales India Limited	2,33,30,981	6.79	0.00	2,98,99,981	8.38	0.00	1.59
4.	G. K. Investments Limited	2,17,39,560	6.32	4.75	2,17,39,560	6.09	4.57	(0.23)
5.	Uttam Commercial Company Ltd.	1,85,90,570	5.41	0.00	1,85,90,570	5.21	0.00	(0.20)
6.	Asha Kejriwal	1,52,47,870	4.43	0.00	0	0.00	0.00	(4.43)
7.	Mayank Kejriwal	1,13,91,732	3.31	0.00	35,74,310	1.00	0.00	(2.31)
8.	Malay Commercial Enterprises Limited	37,48,190	1.09	0.00	37,48,190	1.05	0.00	(0.04)
9.	Sri Gopal Investment Ventures Ltd.	37,32,885	1.09	0.00	37,32,885	1.05	0.00	(0.04)
10.	Uddhav Kejriwal	32,27,540	0.94	0.00	32,29,540	0.90	0.00	(0.03)
11.	Cubbon Marketing Pvt. Limited	25,00,000	0.73	0.00	25,00,000	0.70	0.00	(0.03)
12.	Madhav Kejriwal	20,56,400	0.60	0.00	0	0.00	0.00	(0.60)
13.	Aarti Kejriwal	17,41,800	0.51	0.00	26,593	0.01	0.00	(0.50)
14.	Uddhav Kejriwal HUF	15,54,550	0.45	0.00	15,54,550	0.44	0.00	(0.02)
15.	Umang Kejriwal HUF	14,15,011	0.41	0.00	0	0.00	0.00	(0.41)
16.	Mayank Kejriwal HUF	10,22,940	0.30	0.00	10,22,940	0.29	0.00	(0.01)
17.	Shashwat Kejriwal	7,42,310	0.22	0.00	7,44,310	0.21	0.00	0.01
18.	Priya Sakhi Kejriwal Mehta	6,37,500	0.19	0.00	0	0.00	0.00	(0.19)
19.	Nityangi Kejriwal	5,97,800	0.17	0.00	0	0.00	0.00	(0.17)
20.	Ghanshyam Kejriwal	5,76,100	0.17	0.00	5,76,100	0.16	0.00	(0.01)
21.	Uma Kejriwal	3,36,000	0.10	0.00	3,36,000	0.09	0.00	0.00
22.	Quinline Dealcomm Private Limited	3,19,962	0.09	0.00	3,19,962	0.09	0.00	0.00
23.	Escal Finance Services Ltd.	2,50,000	0.07	0.00	2,50,000	0.07	0.00	0.00
24.	Ellenbarrie Developers Pvt. Ltd.	2,13,308	0.06	0.00	2,13,308	0.06	0.00	0.00
25.	Global Exports Ltd.	2,00,000	0.06	0.00	2,00,000	0.06	0.00	0.00
26.	Pallavi Kejriwal	1,87,950	0.05	0.00	1,87,950	0.05	0.00	0.00
27.	Samridhi Kejriwal	1,56,100	0.05	0.00	1,57,100	0.04	0.00	0.00
28.	Greenchip Trexim Pvt. Limited	1,55,000	0.05	0.00	1,65,000	0.05	0.00	0.00
29.	Calcutta Diagnostics Centre (P) Ltd	1,20,000	0.03	0.00	1,30,000	0.04	0.00	0.00
30.	Mayank Kejriwal - Trustee of Priya Manjari Trust	27,000	0.01	0.00	27,000	0.01	0.00	0.00
31.	Uddhav Kejriwal - Trustee of Samridhi Trust	24,500	0.00	0.00	24,500	0.00	0.00	0.00
32.	Vexcon Properties Private Limited	15,000	0.00	0.00	0	0.00	0.00	0.00
33.	Hilson Merchandise Private Limited	5,000	0.00	0.00	0	0.00	0.00	0.00
34.	Umang Kejriwal	1,900	0.00	0.00	0	0.00	0.00	0.00
35.	Umang Kejriwal, Trustee, Sreeji Family Benefit Trust	0	0.00	0.00	1,47,44,555	4.13	0.00	4.13
36.	Mayank Kejriwal, Trustee, Sreeji Family Benefit Trust	0	0.00	0.00	1,47,44,555	4.13	0.00	4.13
	Total	17,60,81,372	51.21	9.50	18,92,24,372	53.02	9.14	1.80



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company*
	At the beginning of the year	17,60,81,372	51.21	17,60,81,372	49.33
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) :				
1.	20.05.2014 i. Electrocast Sales India Limited - Allotment under Preferential Issue ii. G K & Sons Private Ltd. - Allotment under Preferential Issue	65,69,000 65,69,000	1.84 1.84	18,92,19,372	53.01
2.	25.07.2014 Umang Kejriwal - Transfer	(100)	0.00	18,92,19,272	53.01
3.	01.08.2014 Mayank Kejriwal - Transfer	(100)	0.00	18,92,19,172	53.01
4.	29.08.2014 Umang Kejriwal, Trustee of Sreeji Family Benefit Trust - Transfer Mayank Kejriwal, Trustee of Sreeji Family Benefit Trust - Transfer Uddhav Kejriwal - Transfer	100 100 1,500	0.00 0.00 0.00	18,92,20,872	53.01
5.	05.09.2014 Shashwat Kejriwal - Transfer Uddhav Kejriwal - Transfer	500 500	0.00 0.00	18,92,21,872	53.01
6.	19.09.2014 Greenchip Trexim Pvt. Limited - Transfer Hillson Merchandise Private Limited - Transfer Vexcon Properties Private Limited - Transfer Calcutta Diagnostics Centre (P) Ltd - Transfer Shashwat Kejriwal - Transfer	10,000 (5,000) (15,000) 10,000 500	0.00 0.00 0.00 0.00 0.00	18,92,22,372	53.01
7.	30.09.2014 Samriddhi Kejriwal - Transfer Shashwat Kejriwal - Transfer	1,000 1,000	0.00 0.00	18,92,24,372	53.01
8.	31.03.2015 Umang Kejriwal HUF - Inter se transfer Mayank Kejriwal - Inter se transfer Aarti Kejriwal - Inter se transfer Umang Kejriwal - Inter se transfer Asha Kejriwal - Inter se transfer Priya Sakhi Kejriwal Mehta - Inter se transfer Madhav Kejriwal - Inter se transfer Nityangi Kejriwal - Inter se transfer Mayank Kejriwal, Trustee, Sreeji Family Benefit Trust - Inter se transfer Umang Kejriwal, Trustee, Sreeji Family Benefit Trust	(14,15,011) (78,17,322) (17,15,207) (1,800) (1,52,47,870) (6,37,500) (20,56,400) (5,97,800) 1,47,44,455 1,47,44,455	(0.40) (2.19) (0.48) (0.00) (4.27) (0.18) (0.58) (0.16) 4.13 4.13	18,92,24,372	53.01

* Based on the Paid up Share Capital of the Company as on 31.03.2015

Extract of Annual Return (Contd.)

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date ¹	Increase/ Decrease	Reason	No. of shares	% of total shares of the Company ²
1.	Stemcor Metals Limited	1,92,43,836	5.60	01.04.2014 31.03.2015	No change during the year		1,92,43,836	5.39
2.	General Insurance Corporation of India	97,00,000	2.82	01.04.2014 31.03.2015	No change during the year		97,00,000	2.71
3.	PGS Invest Corp	82,36,578	2.40	01.04.2014 31.03.2015	No change during the year		82,36,578	2.31
4.	Orange Mauritius Investments Limited	80,00,000	2.33	01.04.2014 13.06.2014 25.07.2014 01.08.2014 08.08.2014 14.08.2014 22.08.2014 29.08.2014 19.09.2014 03.10.2014 14.11.2014 21.11.2014 05.12.2014 12.12.2014 31.03.2015	6,65,000 (8,10,000) (2,31,872) (1,97,467) 3,54,436 (5,85,097) 10,00,000 (3,86,768) (70,928) 1,57,420 (1,45,641) (2,10,316) (61,860)	Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	86,65,000 78,55,000 76,23,128 74,25,661 77,80,097 71,95,000 81,95,000 78,08,232 77,37,304 75,79,884 74,34,243 72,23,927 71,62,067 71,62,067	2.43 2.20 2.14 2.08 2.18 2.02 2.30 2.19 2.17 2.12 2.08 2.02 2.01 2.01
5.	United India Insurance Company Limited	65,79,481	1.91	01.04.2014 31.03.2015	No change during the year		65,79,481	1.84
6.	The New India Assurance Company Limited	38,56,280	1.12	01.04.2014 31.03.2015	No change during the year		38,56,280	1.08
7.	Life Insurance Corporation of India	37,93,318	1.10	01.04.2014 31.03.2015	No change during the year		37,93,318	1.06
8.	ICICI Prudential Dynamic Plan	30,00,000	0.87	01.04.2014 31.03.2015	No change during the year		30,00,000	0.84
9.	Subhash P Rathod	14,88,800	0.43	01.04.2014 03.10.2014 31.03.2015	(67,330)	Transfer	14,21,470 14,21,470	0.40 0.40
10.	Religare Securities Ltd. ³	14,07,417	0.41	01.04.2014 04.04.2014 11.04.2014 18.04.2014 25.04.2014 02.05.2014 09.05.2014 16.05.2014 23.05.2014 30.05.2014 06.06.2014 13.06.2014 20.06.2014 30.06.2014 04.07.2014 11.07.2014 18.07.2014 25.07.2014 01.08.2014 08.08.2014	19,548 36,062 (3,063) (56,107) 955 (2,778) (13,67,121) (13,879) 14,884 19,094 (16,539) 28,497 (18,138) 38,543 6,954 10,688 (8,937) (7,385) (4,010)	Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer Transfer	14,26,965 14,63,027 14,59,964 14,03,857 14,04,812 14,02,034 34,913 21,034 35,918 55,012 38,473 66,970 48,832 87,375 94,329 1,05,017 96,080 88,695 84,685	0.40 0.41 0.41 0.39 0.39 0.39 0.01 0.01 0.01 0.02 0.01 0.02 0.01 0.02 0.03 0.03 0.03 0.02 0.02



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date ¹	Increase/ Decrease	Reason	No. of shares	% of total shares of the Company ²
				14.08.2014	9,733	Transfer	94,418	0.03
				22.08.2014	11,691	Transfer	1,06,109	0.03
				29.08.2014	(8,242)	Transfer	97,867	0.03
				05.09.2014	(889)	Transfer	96,978	0.03
				12.09.2014	3,098	Transfer	1,00,076	0.03
				19.09.2014	33,686	Transfer	1,33,762	0.04
				30.09.2014	(12,652)	Transfer	1,21,110	0.03
				03.10.2014	(2,875)	Transfer	1,18,235	0.03
				10.10.2014	(4,246)	Transfer	1,13,989	0.03
				17.10.2014	(6,507)	Transfer	1,07,482	0.03
				24.10.2014	3,871	Transfer	1,11,353	0.03
				31.10.2014	3,279	Transfer	1,14,632	0.03
				07.11.2014	(6,669)	Transfer	1,07,963	0.03
				14.11.2014	(7,513)	Transfer	1,00,450	0.03
				21.11.2014	(6,683)	Transfer	93,767	0.03
				28.11.2014	(2,183)	Transfer	91,584	0.03
				05.12.2014	(15,321)	Transfer	76,263	0.02
				12.12.2014	17,007	Transfer	93,270	0.03
				19.12.2014	(2,216)	Transfer	91,054	0.03
				31.12.2014	(21,088)	Transfer	69,966	0.02
				02.01.2015	(3,244)	Transfer	66,722	0.02
				09.01.2015	(7,927)	Transfer	58,795	0.02
				16.01.2015	(14,587)	Transfer	44,208	0.01
				23.01.2015	882	Transfer	45,090	0.01
				30.01.2015	11,457	Transfer	56,547	0.02
				06.02.2015	5,215	Transfer	61,762	0.02
				13.02.2015	1,896	Transfer	63,658	0.02
				20.02.2015	12,332	Transfer	75,990	0.02
				27.02.2015	(14,752)	Transfer	61,238	0.02
				06.03.2015	3,681	Transfer	64,919	0.02
				13.03.2015	(17,129)	Transfer	47,790	0.01
				20.03.2015	(3,582)	Transfer	44,208	0.01
				27.03.2015	(11,491)	Transfer	32,717	0.01
				31.03.2015	14,553	Transfer	47,270	0.01
11.	Mr. Sanjay Thapar ⁴	0	0.00	01.04.2014				
				31.12.2014	2,30,528	Transfer	2,30,528	0.06
				02.01.2015	1,16,434	Transfer	3,46,962	0.10
				09.01.2015	2,82,599	Transfer	6,29,561	0.18
				16.01.2015	1,26,156	Transfer	7,55,717	0.21
				23.01.2015	1,05,000	Transfer	8,60,717	0.24
				27.02.2015	53,369	Transfer	9,14,086	0.26
				06.03.2015	54,338	Transfer	9,68,424	0.27
				13.03.2015	1,11,586	Transfer	10,80,010	0.30
				20.03.2015	43,000	Transfer	11,23,010	0.31
				27.03.2015	67,896	Transfer	11,90,906	0.33
				31.03.2015	5,850	Transfer	11,96,756	0.34

Notes:

1. The Company is listed and 99.04% shareholding is on demat form. The Company receives shareholdings from the depositories for weekend positions only and therefore weekend date and net quantity increase/decrease during the week could only be provided.
2. These percentages have been calculated on the basis of capital as on 31 March 2015.
3. Ceased to be in the list of top 10 shareholders as on 31.03.2015. The details are provided above as the shareholder was appearing in the list of top 10 shareholders as on 01.04.2014.
4. Not in the list of Top 10 shareholders as on 01.04.2014. The details are provided above as the shareholder was one of the Top 10 shareholders as on 31.03.2015.

Extract of Annual Return (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name of the Director/KMP For Each of the Directors and KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date	Increase/ Decrease	Reason	No. of shares	% of total shares of the Company ¹
1.	Pradip Kumar Khaitan, Chairman	1,000	0.00	01.04.2014 31.03.2015	No change during the year		1,000	0.00
2.	Umang Kejriwal, Managing Director	1,900	0.00	01.04.2014 25.07.2014 31.03.2015	(100) (1,800)	Transfer Inter se transfer	1,800 0	0.00 0.00
3.	Mayank Kejriwal, Joint Managing Director	1,13,91,732	3.31	01.04.2014 01.08.2014 31.03.2015	(100) (78,17,322)	Transfer Inter se transfer	1,13,91,632 35,74,310	3.19 1.00
4.	Uddhav Kejriwal, Whole-time Director	32,27,540	0.94	01.04.2014 29.08.2014 05.09.2014 31.03.2015	1500 500		32,29,040 32,29,540 32,29,540	0.90 0.90 0.90
5.	Binod Khaitan, Non-Executive Director	2,000	0.00	01.04.2014 31.03.2015	No change during the year		2,000	0.00
6.	Dr. Jamshed Jiji Irani, Non-Executive Director	1,000	0.00	01.04.2014 31.03.2015	No change during the year		1,000	0.00
7.	Naresh Chandra, Non-Executive Director	1,000	0.00	01.04.2014 31.03.2015	No change during the year		1,000	0.00
8.	Shermadevi Yegnaswami Rajagopalan, Non-Executive Director	5,100	0.00	01.04.2014 31.03.2015	No change during the year	5,100	0.00	
9.	Mahendra Kumar Jalan, Whole-time Director	1,750	0.00	01.04.2014 31.03.2015	No change during the year		1,750	0.00
10.	Nityangi Kejriwal, Non-Executive Director	5,97,800	0.17	01.04.2014 31.03.2015	(597,800)	Inter se transfer	0	0.00
11.	Vyas Mitre Ralli, Whole-time Director	15,000	0.00	01.04.2014 30.05.2014 31.03.2015	(10,000)	Transfer	5,000 5,000	0.00 0.00
12.	Prem Kumar Bafana, Company Secretary ²	0	0.00	01.04.2014 31.03.2015	No change during the year		0	0.00

Notes:

- The above details are given as on 31 March 2015. The Company is listed and 99.04% shareholding is on demat form. The Company receives shareholdings from the depositories for weekend positions only and therefore weekend date and net quantity increase/decrease during the week could only be provided.
- Mr. Prem Kumar Bafana was appointed as Company Secretary w.e.f. 15 December 2014.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount (Rs. in Crores)

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2014)				
i) Principal Amount	2,354.97	34.29	-	2,389.26
ii) Interest due but not paid	2.35	0.06	-	2.41
iii) Interest accrued but not due	32.56	-	-	32.56
Total (i+ii+iii)	2,389.88	34.35	-	2,424.23
Change in Indebtedness during the financial year				
Additions	260.22	-	-	260.22
Reduction	181.27	4.89	-	186.16
Net Change	78.95	(4.89)	-	74.06
Indebtedness at the end of the financial year				
i) Principal Amount	2,434.80	29.40	-	2,464.20
ii) Interest due but not paid	1.50	0.06	-	1.56
iii) Interest accrued but not due	32.53	-	-	32.53
Total (i+ii+iii)	2,468.83	29.46	-	2,498.29

Note: Figures in bracket represent negative figures.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of the MD / WTD / Manager					Total Amount
		Umang Kejriwal	Mayank Kejriwal	Uddhav Kejriwal	Mahendra Kumar Jalan	Vyas Mitre Ralli	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	1,50,00,000	60,00,000	1,03,60,000	1,23,54,252	1,19,12,194	5,56,26,446
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	14,87,015	11,47,669	9,76,412	3,78,301	4,41,914	44,31,311
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	3,86,703	3,86,703
2.	Stock option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission						
	- as % of profit	1,20,00,000	-	85,00,000	-	-	2,05,00,000
	- others (specify)	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	Total (A)	2,84,87,015	71,47,669	1,98,36,412	1,27,32,553	1,27,40,811	8,09,44,460
	Ceiling as per the Act	Rs.922.56 Lakhs (10% of the net profits calculated as per Section 198 of the Companies Act, 2013)					

Extract of Annual Return (Contd.)

B. Remuneration to other directors

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Pradip Kumar Khaitan	Dr. Jamshed Jiji Irani	Binod Khaitan	Bhaskara Nageswararo Mandavilli	Naresh Chandra	Shermadevi Yegnaswami Rajagopalan	
1.	Independent Directors							
	(a) Fee for attending board/ committee/other meetings	6,70,000	2,90,000	6,50,000	4,40,000	-	-	20,50,000
	(b) Commission	6,00,000	12,00,000	6,00,000	6,00,000	-	-	30,00,000
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	12,70,000	14,90,000	12,50,000	10,40,000	-	-	50,50,000
2.	Other Non Executive Directors							
	(a) Fee for attending board/ committee meetings	-	-	-	-	2,70,000	5,50,000	8,70,000
	(b) Commission	-	-	-	-	12,00,000	6,00,000	18,00,000
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	14,70,000	11,50,000	26,70,000
	Total (B)=(1+2)	12,70,000	14,90,000	12,50,000	10,40,000	14,70,000	11,50,000	77,20,000
	Total Managerial Remuneration* (A+B)							8,86,64,460
	Overall Ceiling as per the Act	Rs.1,014.81 Lakhs (being 11% of the net profits calculated as per Section 198 of the Companies Act, 2013)						

* Total remuneration to Managing Director, Whole-time Directors and other Directors (being the total of A and B).

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Amount in Rs.

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total	
		CEO	CFO	Company Secretary		
				Prem Kumar Bafana		Kavita Bhavsar
1.	Gross salary	Not applicable	Not applicable			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			6,58,317	15,01,603	21,59,920
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			17,742	93,162	1,10,904
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			-	-	-
2.	Stock option			-	-	-
3.	Sweat Equity			-	-	-
4.	Commission					
	- as % of profit			-	-	-
	- others (specify)			-	-	-
5.	Others, please specify			-	-	-
	Total			6,76,059	15,94,765	22,70,824

Note : Ms. Kavita Bhavsar ceased to be Company Secretary of the Company from 6.12.2014. Mr. Prem Kumar Bafana was appointed as Company Secretary from 15.12.2014.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**PARTICULARS ON CONSERVATION OF ENERGY, TECHNOLOGY
ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO**

[Information under Section 134(3)(m) of the Companies Act 2013, read with Rule 8(3) of Companies (Accounts) Rules 2014 and forming part of the Report of Directors]

A) CONSERVATION OF ENERGY

- i) The steps taken or impact on conservation of energy :
- ▶ Strict control of demand load by audio-visual display and warning system has resulted in reduction of Average Monthly Demand of 33KV line by 0.7% from last financial year.
 - ▶ Installation of APFC with capacitor panels and its continuous monitoring throughout the year helped to improve monthly average power factor of Khardah Main Plant from 97% to 98% and Khardah R&D Land from 98% to 99%, for which CESC is allowing additional rebate as per latest order of West Bengal Electricity Regulatory Commission.
 - ▶ Fuel oil consumption reduced by approximately 20% at Khardah R&D Land with modification of oil burners.
 - ▶ Strict monitoring & control of fuel oil consumption is being done with installation of oil flow meters at critical consumption points.
 - ▶ In Khardah & Bansberia Works, all the pollution control device ID fans have been provided with VVVF drives to reduce energy consumption by 20-30% approximately.
 - ▶ In Bansberia Works, High bay shed lighting has been done with energy efficient LED lights (200 Watt, 30 nos.) instead of conventional 400 Watt lights, thus saving energy by 50% approximately.
 - ▶ 20 Watt LED tube lights have been installed instead of 36 Watt conventional tube lights for all the auxiliary buildings e.g. Pump House, Substation, Laboratory etc. in Haldia New Fittings Plant - expected saving in energy consumption in the respective areas by approximately 50%.
 - ▶ Energy efficient (IE3) motors have been provided for all water pumps in Haldia New Fittings Plant to reduce energy consumption by 2-3% approximately in comparison with conventional motors.
 - ▶ All the pollution control device ID fans in Haldia New Fittings Plant have been provided with VVVF drives & thus saving energy consumption by 20-30% approx.
- ii) The steps taken by the Company for utilising alternate sources of energy :
- ▶ Utilisation of Blast Furnace Gas (a by-product from the process) as fuel has been enhanced to reduce fuel oil consumption.
 - ▶ Plans have been made to further enhance the power generation at Haldia from the Coke Ovens.
- iii) The capital investment on energy conservation equipments :
- The Company has made capital investments amounting to Rs. 11 Lakhs during the financial year 2014-15 on the energy conservation equipments.



B) TECHNOLOGY ABSORPTION

- i) The efforts made towards technology absorption

In an endeavor to remain one of the market leaders in the world market, your Company is investing time, money and effort to develop newer products and create the requirement in the market. After a huge success of Electrolock Restrained Joint for ISO pipes, your Company has started to develop PushLok Joint for USA market. The product is expected in the market by the end of this Financial Year.

To reduce the time of installation and for better utilisation of space the requirement of Restrained Joint is increasing day by day. Your Company is developing different restraining systems.

- ii) The benefits derived like product improvement, cost reduction, product development or import substitution

The State of Art of Paint Manufacturing Plant of your company is developing new corrosion resistance paints. Many of the paints manufactured by your Company have been approved by leading certifying agencies like WRAS (UK), ACS (France), DVG (Germany) etc. This has greatly substituted the import requirement of paint and reduced the cost of production and improved the quality of the product.

The improvement done in Sinter Plant is reducing the cost of raw materials.

- iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the year) -

- a) the details of technology imported - Nil.
b) the year of import - Not Applicable.
c) whether the technology is fully absorbed - Not Applicable.
d) if not fully absorbed, areas where absorption has not taken place, and the reason thereof - Not Applicable.

As your Company is putting up continuous effort for In House development of the latest available technology, the absorption of imported technology is avoided.

Your Company has made a tie up with an Italian Company to develop Restrained Joint System for Mechanical Joint. You will be happy to know that your Company has jointly taken the patent for this product. This product is a premium product in the market as it reduces the laying cost.

- iv) The expenditure incurred on Research and Development

The expenditure incurred by the company towards Research and Development during the financial year 2014-15 amounted to Rs.89.65 lakhs.

C) FOREIGN EXCHANGE EARNINGS & OUTGO

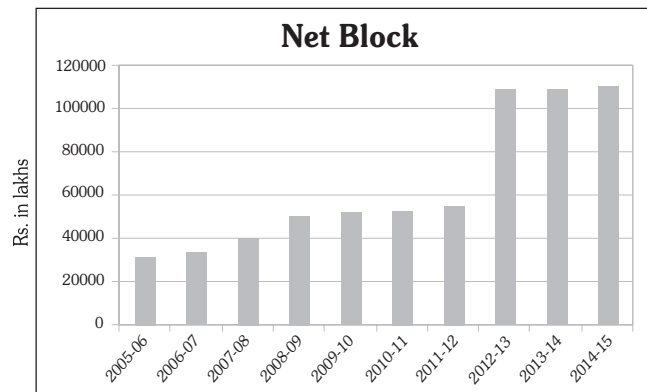
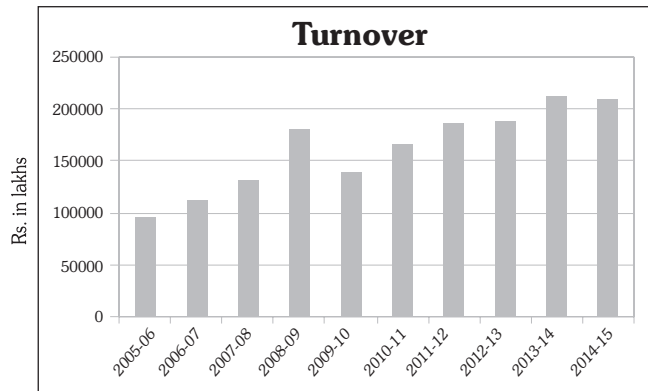
The Foreign Exchange earned in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflow is given below :

Foreign Exchange Earned during the year	Rs.697.37 crores
Foreign Exchange Outgo during the year	Rs.498.61 crores

Ten Years Financial Summary

Rs. in lakhs

Year	Gross Turnover	Gross Profit	Depreciation	Tax	Profit After Tax	Gross Block	Net Block	Capital Employed
2005-06	100312.88	13643.90	2856.18	3142.94	7644.78	48295.10	31698.03	117140.97
2006-07	117621.51	19208.81	3366.78	5226.05	10615.98	53309.28	33863.80	150580.12
2007-08	138442.11	14726.11	3660.59	(156.16)	5201.58	62779.30	40479.08	190943.89
2008-09	189557.52	26117.43	5212.48	6865.54	14039.41	78184.12	50688.80	243673.62
2009-10	146664.11	36021.73	5230.06	10162.78	20628.89	84200.94	52462.54	287267.53
2010-11	174967.18	26930.00	5441.26	6025.00	15463.74	91435.90	53804.79	320054.39
2011-12	195671.85	7684.59	5426.03	(1979.72)	4238.28	99166.78	55547.65	351714.07
2012-13	198231.53	17406.75	5308.68	2375.36	9722.71	158917.71	109450.41	465227.91
2013-14	223509.05	18893.43	5296.71	3540.88	10055.84	164668.04	109462.80	487165.21
2014-15	220328.82	16376.65	6743.00	2366.49	7267.16	174316.05	110880.11	499985.06



Independent Auditors' Report

To the Members of
Electrosteel Castings Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Electrosteel Castings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other notes for the year ended on that date.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on

these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Attention is drawn to the following notes to the financial statement:

- a) Note No.2.33.a of the financial statements dealing with cancellation of coal block

Auditors' Report (Contd.)

allotted to company and accounting being followed in this respect and resultant amount of the claim for compensation and consequential adjustments thereof presently not being ascertained and given effect to, pending decision of the court on the matter.

- b) Note No. 2.33.b regarding non-provision of diminution in the value of investments in a joint venture company, pending determination of the claim for compensation against North Dhadhu Coal block.
- c) Impact with respect to (a) and (b) are presently not ascertainable and as such cannot be commented upon by us.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as

required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
- d) Except for the possible effects of the matter described in the Basis For Qualified Opinion paragraph, In our opinion, the Balance Sheet, Statement of Profit and loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act , read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) The matter described in the Basis for Qualified opinion paragraph above, in the event of being decided unfavorably, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. Except for the matters dealt with in the



basis for Qualified Opinion paragraph impact whereof are presently not ascertainable, impact of pending litigations (Other than those already recognised in the accounts) on the financial position of the Company have been disclosed in the financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013;

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term

contracts including derivative contracts- Refer Note 2.10 to the financial statements;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn. No.: 301051E

R. P. Singh
Partner

Place: Kolkata

Annexure to the Auditor's Report of even date :

Date : 12th May, 2015 Membership No. : 52438

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets except in case of furniture and fixture.
- b. During the year, fixed assets have been physically verified by the management according to a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.
- ii) a. As informed, the inventories of the Company except for materials in transit and those lying with third parties have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable.
- b. As the Company's inventory of raw materials comprises mostly of bulk materials such as coal, coke, iron ore,

etc. requiring technical expertise for quantification, the Company has hired an independent agency for the physical verification of the stock of these materials. Considering the above, in our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The Company has not granted any loans secured or unsecured to companies, firms or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- iv) In our opinion and having regard to the explanations given to us that certain purchases of inventories and fixed assets

Auditors' Report (Contd.)

and sale of goods being of special nature where suitable alternative sources do not exist/ were not available for obtaining comparable quotations, the internal control system for the purchase of inventory and fixed assets and for the sale of goods and services is commensurate with the size of the Company and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

v) The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.

vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed

records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

- vii) a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to it.
- b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and Cess, if any, as at 31st March, 2015, are as follows :

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act	Excise Duty	337.78	1996-2000 2004-2009	Tribunal
		8.30	2005-2006 2008-2010	Commissioner (Appeals)
The Central Excise Act	Service Tax	1,721.95	2005-2012	Tribunal
		9.44	2008-2010	Commissioner (Appeals)
Sales Tax Act	Sales Tax	3,160.84	1974-1978 1985-1987 1989-1993 1997-1998 1999-2000 2004-2005 2006-2010	West Bengal Appellate & Revisional Board (WBA&RB)
		32.15	2004-2005 2006-2007 2008-2010	Tribunal
		247.21	2002-2003	Special Commissioner
		14.98	2005-2006	Joint Commissioner

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax	89.13	2009-2011 2012-2014	Deputy Comissioner (A)
		70.54	2013-2015	Commissioner
		3,863.75	2008-2009 2010-2012	Additional Commissioner
Income Tax Act, 1961	Income Tax	9.39	Assessment Year 2010-2011	Commissioner (Appeals)
		105.09	Assessment Year 2010-2011	Tribunal

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company (or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company).
- viii) The Company does not have any accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- x) The Company has given guarantees for loans taken by others from banks and financial institutions. In our opinion and according to the information and explanations given to us, the terms and conditions of these guarantees are prima facie not prejudicial to the interest of the Company.
- xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than Rs.9516.64 Lakhs which have been temporarily invested in fixed deposits with banks (Refer Note No. 2.18.2 of the financial statements) pending utilization for the intended use.
- xii) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such cases by the management.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Regn. No.: 301051E

Place: Kolkata
Date : 12th May, 2015

R. P. Singh
Partner
Membership No. : 52438

Balance Sheet as at March 31, 2015

Particulars	Note No.	Amount Rs. in lakhs	
		As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	35,69.55	34,38.17
Reserves and Surplus	2.2	24,69,09.09	24,12,86.22
		25,04,78.64	24,47,24.39
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	12,84,37.59	15,15,47.74
Deferred tax liabilities (Net)	2.4	30,86.72	35,14.90
Other Long term liabilities	2.5	82.71	4,99.67
Long-term provisions	2.6	12,98.62	15,05.60
		13,29,05.64	15,70,67.91
CURRENT LIABILITIES			
Short-term borrowings	2.7	8,10,19.45	6,86,49.68
Trade payables	2.8	2,19,44.97	3,04,73.60
Other current liabilities	2.9	5,19,43.97	3,42,56.01
Short-term provisions	2.10	78,92.06	56,27.01
		16,28,00.45	13,90,06.30
TOTAL		54,61,84.73	54,07,98.60
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.11	11,06,44.63	10,92,43.45
Intangible assets	2.11	2,35.48	2,19.35
Capital work-in-progress	2.33	12,78,41.17	12,10,81.72
		23,87,21.28	23,05,44.52
Non-current investments	2.12	12,58,63.97	10,32,37.63
Long-term loans and advances	2.14	21,34.07	2,88,66.18
Other non-current assets	2.15	3,39.68	12,79.32
		36,70,59.00	36,39,27.65
CURRENT ASSETS			
Current investments	2.13	7,15.46	67,58.35
Inventories	2.16	4,95,78.56	5,56,79.53
Trade receivables	2.17	5,80,34.76	6,16,85.81
Cash and bank balances	2.18	2,10,22.42	2,28,84.36
Short-term loans and advances	2.19	3,65,12.74	1,92,35.45
Other current assets	2.20	1,32,61.79	1,06,27.45
		17,91,25.73	17,68,70.95
TOTAL		54,61,84.73	54,07,98.60
Summary of significant accounting policies	1		
Notes on financial statements	2.1-2.46		

The notes are an integral part of the financial statements

As per our report of even date.

For Lodha & Co.
Chartered Accountants

R. P. Singh
Partner

Kolkata
May 12, 2015

For and on behalf of the Board

Pradip Kumar Khaitan
Chairman
(DIN : 0004821)

Gautam Jhunjhunwala
Chief Financial Officer

Umang Kejriwal
Managing Director
(DIN : 00065173)

Prem Kumar Bafana
Company Secretary,
Legal & Accounts

Statement of Profit & Loss for the year ended March 31, 2015

Particulars	Note No.	Amount Rs. in lakhs	
		For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from operations	2.21	21,53,77.89	21,86,87.93
Other income	2.22	30,81.13	19,70.10
Total Revenue		21,84,59.02	22,06,58.03
Expenses			
Cost of materials consumed	2.23	10,37,26.82	9,47,32.02
Purchases of Stock-in-Trade	2.24	86,53.10	1,82,57.30
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.25	5,09.27	-29,63.84
Employee benefits expense	2.26	1,59,90.67	1,48,76.05
Finance costs	2.27	1,45,31.62	1,35,81.96
Depreciation and amortization expense	2.28	67,43.00	52,96.71
Other expenses	2.29	5,86,70.89	6,32,81.11
Total expenses		20,88,25.37	20,70,61.31
Profit before tax		96,33.65	1,35,96.72
Tax expense:			
Current tax	2.30	24,78.82	34,23.90
Deferred tax	2.4	(1,12.33)	1,16.98
Profit for the year		72,67.16	1,00,55.84
Earnings per equity share:			
Equity share of par value of Re 1/- each	2.32		
Basic		2.05	3.02
Diluted		2.05	3.02
Number of shares used in computing earning per share			
Basic		35,51,91,590	33,25,96,752
Diluted		35,51,91,590	33,25,96,752
Summary of significant accounting policies	1		
Notes on financial statements	2.1-2.46		

The notes are an integral part of the financial statements

As per our report of even date.

For Lodha & Co.
Chartered Accountants

R. P. Singh
Partner

Kolkata
May 12, 2015

For and on behalf of the Board

Pradip Kumar Khaitan
Chairman
(DIN : 0004821)

Gautam Jhunjunwala
Chief Financial Officer

Umang Kejriwal
Managing Director
(DIN : 00065173)

Prem Kumar Bafana
Company Secretary,
Legal & Accounts

Cash Flow Statement for the year ended March 31, 2015

	Amount Rs. in lakhs			
	Year ended March 31 2015	Year ended March 31 2015	Year ended March 31 2014	Year ended March 31 2014
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Taxes		96,33.65		1,35,96.72
Add : Depreciation/Amortisation	67,43.00		52,96.71	
Bad Debts & Pipe rectification LD charges (net of provision)	-		26.80	
Pipe mould written off	2,80.03		2,35.84	
Provision for others	-56.97		-13,07.60	
Provision for Doubtful debts	-		2,10.00	
Provision for losses on mark to market basis on derivative transactions	-		-96.28	
Interest	1,45,31.62	2,14,97.68	1,35,81.96	1,79,47.43
		3,11,31.33		3,15,44.15
Less: Interest Received	4,50.92		7,05.26	
Income from Investments	13,90.27		9,31.29	
Foreign Exchange gain / (loss)	-5,20.78		3,55.82	
Provisions / Liabilities no longer required written back	3,37.22		2,51.99	
Profit/(Loss) on sale / discard of Fixed Assets (Net)	-6.28	16,51.35	-81.96	21,62.40
Operating Profit before Working Capital changes		2,94,79.98		2,93,81.75
Less: Increase/(Decrease) in Inventories	-61,00.97		1,05,46.24	
Increase/(Decrease) in Trade Receivables	-32,04.65		-39,78.62	
Increase/(Decrease) in Loans & Advances	-85,30.50		2,92,47.85	
(Increase)/Decrease in Trade Payables	69,22.78	-1,09,13.34	-1,52,46.30	2,05,69.17
Cash generation From Operations		4,03,93.32		88,12.58
Less: Direct Taxes paid		9,12.42		30,80.37
Net cash flow from Operating activities		3,94,80.90		57,32.21
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets / movements in Capital work in progress	-1,32,32.98		-1,24,54.62	
Fixed Assets sold/discarded	22.69		52.48	
(Purchase)/Sale of Investment (net)	59,55.04		55,49.63	
Investment in subsidiaries, associate and joint venture	-2,26,26.35		-3,97.10	
Advances and Loans to subsidiaries	3,88.53		-2,43.27	
Sale of Investment in subsidiary	11,53.80			
Interest Received	18,80.50		5,93.96	
Dividend received	2,96.98		57.64	
Other bank balance: deposits within 3 to 12 months maturity	13,83.66	-2,47,78.13	-76,11.16	-1,44,52.44
Net Cash flow from Investing activities		-2,47,78.13		-1,44,52.44
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of share capital	25,00.16		23,63.45	
Proceeds/(Repayments) from borrowings (net)	1,03,82.36		-1,57,73.11	
Proceeds / (Redemption / Repayment) of Debentures/Term Loan	-62,13.85		1,92,56.22	
	66,68.67		58,46.56	
Interest Paid	-1,92,29.72		-1,19,55.83	
Dividend paid	-22,47.43		-16,42.64	
Tax on Dividend	-3,79.81	-1,51,88.29	-2,77.66	-80,29.57
Net cash flow from Financing activities		-1,51,88.29		-80,29.57
Cash and Cash equivalents (A+B+C)		-4,85.52		-1,67,49.80
Cash and Cash equivalents as at 1st April		84,14.18		2,51,84.52
Add / (Less) : Unrealised exchange gain / (loss) on Bank balances		7.24		-20.54
Cash and Cash equivalents as at 31st March (Refer note 2.18)		79,35.90		84,14.18

Note : 1) Cash and Cash equivalents represents cash in hand and deposits/balances with Banks
2) The Cash flow statement has been prepared under indirect method as per Accounting Standard 3 on Cash Flow Statement

As per our report of even date.

For Lodha & Co.
Chartered Accountants

R. P. Singh
Partner
Kolkata
May 12, 2015

For and on behalf of the Board

Pradip Kumar Khaitan
Chairman
(DIN : 0004821)

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Managing Director
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Company Secretary,
Legal & Accounts

Notes on Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention except in respect of certain fixed assets which are stated at revalued amount in accordance with the provisions of the Companies Act, 2013 and accounting standards as prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

1.2 USE OF ESTIMATES

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of revenue and expenses during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

1.3 FIXED ASSETS, DEPRECIATION AND AMORTIZATION OF EXPENSES

1) Tangible Assets

(i) Gross Block:

Fixed Assets are stated at cost of acquisition and subsequent improvements thereto or at revalued amounts wherever such assets have been revalued. Cost of acquisition includes taxes, duties (net of cenvat availed), inward freight, preoperative expenses, installation expenses and adjustment for exchange differences wherever applicable. For major projects, interest and other costs incurred on / related to the borrowings for financing projects / fixed assets during construction period and pre-operative period, if appropriate, are capitalized. Expenditure on Blast Furnace/Coke Oven Battery Relining is capitalized.

(ii) Depreciation and Amortization of Expenses:

- (a) Depreciation on tangible fixed assets, except otherwise stated has been provided as per Schedule II of the Companies Act, 2013 on straight line method in respect of Plant & Equipment and office equipment at all location of the Company except Elavur Plant of the Company and on written down value method on all other assets including plant and equipment and office equipment at Elavur Plant. Certain Plant and Equipments have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of fixed assets (tangible) is provided over the remaining useful life of the mother plant / fixed assets.
- (b) Assets costing Rs. five thousand or less are being depreciated fully in the year of addition/acquisition.
- (c) Pipe Moulds above 350 mm for Ductile Iron Foundry Works are depreciated over a period of 3 years. Pipe Moulds upto 350 mm are charged to consumption in the year of issue.
- (d) Blast Furnace and Coke Oven Battery relining are depreciated on straight line method over a period of 2 and 5 years respectively (average expected life) as per technical assessment. Wagons acquired under "Wagon Investment Scheme" are depreciated over a period of 10 years and Heavy Earth Moving Machinery used for coal mines are depreciated over a period of 5 years on straight line method. Railway siding constructed on government land is amortised over the period of ten years.
- (e) Leasehold land is amortised on straight line method over the period of the lease.

Notes on Financial Statements

- (f) Machinery Spares which can be used only in connection with an item of tangible Fixed Asset and whose use are expected to be irregular, are amortised over the useful life of the respective tangible fixed assets and the amount amortised is included under stores and spares consumed.
- (iii) Capital Work-in-progress includes preoperative and development expenses, equipments to be installed, construction and erection materials, etc.
- (iv) Development Expenses including overburden removal expenses net of revenue of the Projects / Mines under development are debited to Development Account and included under Capital Work in progress till the projects/ mines are brought to Revenue Account. Except otherwise specifically stated in the Project Report, upon the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of construction, projects and mines under development are brought to revenue: (a) From beginning of the financial year immediately after the year in which the project achieves physical output of 50% of rated capacity as per approved project report, or (b) One year of touching of coal, or (c) From the beginning of the financial year in which the value of production is more than total expenses.

2) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Computer software packages are amortised on straight line method over a period of 5 years. Mining rights are amortised on straight line method over the available period of mining lease

1.4 INVESTMENTS

Non current investments are stated at cost less provision, if any, for diminution in value other than temporary. Current investments are carried at lower of cost or fair value, computed category wise.

1.5 INVENTORIES

- (i) Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.
- (ii) Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost, and includes appropriate portion of overheads and excise duty.
- (iii) Cost in respect of process stock represents, cost incurred upto the stage of completion.
- (iv) Cost in respect of work-in-progress represents cost of materials remaining uncertified / incomplete under the Turnkey Contracts undertaken by the Company.

1.6 IMPAIRMENT

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been a change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a prorata basis.

Notes on Financial Statements

1.7 FOREIGN CURRENCY TRANSACTIONS AND DERIVATIVES

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates. Non-monetary items other than fixed assets, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as revenue or expense and are shown in the statement of profit and loss except in respect of non current liabilities related to fixed asset/capital work in progress in which case, these are adjusted to the cost of respective fixed assets/capital work in progress.

Revenue/expenditure earned/incurred by the overseas office is translated at the respective month end rate during which such revenue /expenditure is so earned / incurred. Branch monetary assets and liabilities are restated at the year end rates.

Exchange differences arising with respect to forward contracts other than those entered into, to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are recognized in the period in which they arise and the difference between the forward rate and exchange rate at the date of transaction is recognized as revenue / expense over the life of the contract.

In respect of derivative contracts (other than forward contracts dealt as above) premium paid, gains /losses on settlement and losses on restatement are recognized in statement of profit and loss except in case they relate to acquisition or construction of fixed assets, in which case they are adjusted to the cost of fixed assets/capital work in progress.

1.8 REVENUE RECOGNITION

All expenses and revenue to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.

1.9 SALES

Sales include excise duty, wherever applicable and rebate, discounts, claims, expenses incurred on consignment sales etc. are excluded there from. Sales on consignment and expenses there against are being accounted for on receipt of sales account from the respective consignee. Revenue against Turnkey Contracts undertaken by the Company is recognized progressively on the basis of percentage of completion method. Stage of completion of contracts in progress is determined by reference to the physical proportion of the contract work completed.

1.10 EMPLOYEE BENEFITS

Employee benefits are accrued in the year services are rendered by the employees. Short term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution schemes such as Provident Fund, Superannuation Fund etc. are recognized as and when incurred.

Long-term employee benefits under defined benefit scheme such as contribution to gratuity, leave etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gain and losses are recognized in the year when they arise.

1.11 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of Profit and Loss.

Notes on Financial Statements

1.12 RESEARCH AND DEVELOPMENT

Research and development cost (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

1.13 EXPORT BENEFITS

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Other export benefits are accounted for as and when the ultimate realisability of such benefits are established.

1.14 GOVERNMENT GRANTS

Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss under "other operating income" or deducted from the related expenses. Grants relating to fixed assets are credited to Capital Reserve Account or adjusted in the cost of such assets as the case may be, as and when the ultimate realisability of such grants are established.

1.15 INCOME TAX

Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable revenue using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is "virtual certainty" that such deferred tax assets can be realized against future taxable profits.

1.16 PROVISIONS, CONTINGENCIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made, of the amount of the obligation. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of notes.

Notes on Financial Statements

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

Amount Rs. in lakhs

2.1 SHARE CAPITAL

Particulars	Ref. note no.	As at March 31, 2015	As at March 31, 2014
Authorised Equity shares, Re.1/- par value 50,00,00,000 (500000000) equity shares		50,00.00	50,00.00
Issued, Subscribed and Paid-up Equity shares, Re.1/- par value 35,69,55,322 (previous year 34,38,17,322) equity shares fully paid up	2.1.5	<u>35,69.55</u> <u>35,69.55</u>	<u>34,38.17</u> <u>34,38.17</u>

2.1.1 The Company has only one class of shares referred to as equity shares having a par value of Re.1/- . Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

2.1.2 During the year, the Company issued 1,31,38,000 Equity Shares to Promoters/Promoters group of the Company on Preferential basis as approved by the members of the Company at the Extraordinary General Meeting held on 12.05.2014.

2.1.3 The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2.1.4 During the year ended 31 March, 2015 the amount of per share dividend recognized as distribution to equity shareholders was Re.0.65.

2.1.5 Reconciliation of the number of shares outstandings

Particulars	Ref. note no.	As at March 31, 2015	No. of shares As at March 31, 2014
Number of shares at the beginning		34,38,17,322	32,67,52,705
Add : Addition during the year	2.1.2	1,31,38,000	1,70,64,617
Number of shares at the end		35,69,55,322	34,38,17,322

2.1.6 Shareholders holding more than 5% shares

Name of share holders	Ref. note no.	As at March 31, 2015	No. of shares As at March 31, 2014
G. K. & Sons Private Ltd		3,67,31,833	3,01,62,833
Murari Investment & Trading Company Ltd.		3,00,53,080	3,00,53,080
Electrocast Sales India Ltd.		2,98,99,981	2,33,30,981
G. K. Investments Ltd.		2,17,39,560	2,17,39,560
Stemcor Metals Ltd.		1,92,43,836	1,92,43,836
Uttam Commercial Company Ltd.		1,85,90,570	1,85,90,570

2.2 RESERVES AND SURPLUS

Amount Rs. in lakhs

Particulars	Ref. note no.	As at March 31, 2015	As at March 31, 2014
Capital reserve as per last Balance Sheet			
Capital subsidy		46.52	46.52
Others			
Amount forfeited on warrants not exercised		30,94.71	30,94.71
Non refundable/Adjustable amount of warrants issued through Qualified Institution Placements		10,07.05	10,07.05
		<u>41,48.28</u>	<u>41,48.28</u>
Securities Premium Account as per last Balance Sheet		6,32,21.48	6,10,28.68
Add : Addition during the year	2.1.2	23,68.78	21,92.80
		<u>6,55,90.26</u>	<u>6,32,21.48</u>
Revaluation Reserve as per last Balance Sheet		5,68,06.00	5,73,30.74
Less : Transfer to General Reserve	2.11.2	19,35.36	-
		-	-
Less : Transfer to Depreciation and Amortisation	2.28	-	5,24.74
Less : Transfer due to transitional provision of Companies Act, 2013	2.11.4	7,92.67	-
		<u>5,40,77.97</u>	<u>5,68,06.00</u>

Notes on Financial Statements

Particulars	Ref. Note No.	Amount Rs. in lakhs	
		As at March 31, 2015	As at March 31, 2014
Debtore Redemption Reserve as per last Balance Sheet		64,00.00	10,00.00
Add: Transfer from Surplus		3,50.00	54,00.00
		67,50.00	64,00.00
General reserve as per last Balance Sheet		9,25,00.00	9,00,00.00
Add: Transfer from Surplus		25,00.00	25,00.00
Add: Transfer from Revaluation Reserve	2.11.2	19,35.36	-
Less: Transfer due to transitional provision of Companies Act, 2013 (net)	2.11.4	4,27.85	-
		9,65,07.51	9,25,00.00
Surplus as per last Balance Sheet		1,82,10.46	1,86,69.24
Add: Net profit after tax transferred from Statement of Profit and Loss		72,67.16	1,00,55.84
Amount available for appropriation		2,54,77.62	2,87,25.08
Appropriations:			
Proposed dividend	2.1.3 & 2.1.4	23,20.21	22,34.81
Tax on dividend		4,72.34	3,79.81
Amount transferred to debtore redemption reserve		3,50.00	54,00.00
Amount transferred to general reserve		25,00.00	25,00.00
Balance in Surplus		1,98,35.07	1,82,10.46
		24,69,09.09	24,12,86.22

2.3 LONG TERM BORROWINGS

Particulars	Ref. Note No.	As at March 31, 2015		As at March 31, 2014	
		Non Current	Current	Non Current	Current
SECURED LOANS					
11.00% Non Convertible Debentures	2.3.1	50,00.00	-	50,00.00	-
12.50% Non Convertible Debentures	2.3.2	1,00,00.00	-	1,00,00.00	-
10.75% Non Convertible Debentures	2.3.3	80,40.00	39,60.00	1,20,00.00	-
Term loans - from banks					
External Commercial Borrowing	2.3.4.1 & 2.3.4.2	7,38,37.84	2,92,55.47	9,88,29.03	1,54,38.06
Others	2.3.5.1 & 2.3.5.2	2,31,00.00	9,00.00	2,00,00.00	-
Term loan from financial institution	2.3.6.1, 2.3.6.2, 2.3.6.3 & 2.3.6.4	84,59.75	28,47.19	57,18.71	32,90.44
		12,84,37.59	3,69,62.66	15,15,47.74	1,87,28.50

2.3.1 11% Non Convertible Debentures (privately placed) are secured by second pari-passu charge on company's fixed assets (immovable and movable) including land and buildings both present and future other than assets located at Chennai and Elavur. These debentures were allotted on 5th July, 2013 and are redeemable at par at the end of 5th year from the date of allotment i.e on 5th July 2018. However, there is a Put and Call option available to the issuer / investor which can be exercised at the end of three years from the date of allotment i.e on 5th July 2016.

2.3.2 12.50% Non Convertible Debentures (privately placed) are secured by second pari-passu charge on company's fixed assets (immovable and movable) including land and buildings both present and future other than assets located at Chennai and Elavur. These debentures were allotted on 5th July, 2013 and are redeemable at par at the end of 5th year from the date of allotment i.e on 5th July, 2018. However, there is a Put and Call option available to the issuer / investor which can be exercised at the end of 30 months from the date of allotment i.e on 5th Jan, 2016 and every quarter thereafter.

Notes on Financial Statements

- 2.3.3 10.75% Non Convertible Debentures (privately placed) are secured by first pari-passu charge on company's fixed assets (immovable and movable) including land and buildings both present and future other than assets located at Chennai and Elavur and excluding furniture and fixture, vehicles and other intangible assets. These debentures were allotted on 11th April, 2012 and are redeemable at par in three annual installments at the end of 3rd, 4th & 5th year from the date of allotment.
- 2.3.4.1 External Commercial Borrowings is secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai and Elavur.
- 2.3.4.2 External Commercial Borrowings of USD 77.50 million is repayable in 3 annual installments of 33.25% in July, 2013, 33.25% in July, 2014 & 33.50% in July, 2015. The outstanding as on 31.03.2015 is Rs. 1,62,25.26 lakhs (previous year Rs.3,09,92.19 lakhs). External Commercial Borrowings of USD 139.00 million is repayable in 12 semi annual installments from 29th August, 2015. The outstanding as on 31.03.2015 is Rs.8,68,68.05 lakhs (previous year Rs.8,32,74.90 lakhs). The interest rate ranges from 6M Libor + 250 to 500 basis points.
- 2.3.5.1 Rupee Term Loan from bank of Rs.2,00,00.00 lakhs (Previous year Rs.2,00,00.00 lakhs) is secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai and Elavur. Term Loan is repayable in 28 quarterly installments starting from June, 2015. The interest rate ranges from 13.00% p.a to 13.50% p.a.
- 2.3.5.2 Rupee Term Loan from bank of Rs.40,00.00 lakhs (Previous year Rs. nil lakhs) is to be secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai, Elavur and Vadgaon (Pune). Term Loan is repayable in 16 equal quarterly installments starting from Dec, 2015. The interest rate ranges from 11.00% p.a to 11.50% p.a.
- 2.3.6.1 Term Loan from financial institution of Rs. Nil lakhs (Previous year Rs.9,37.50 lakhs) was secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai and Elavur.
- 2.3.6.2 Term Loan from a financial institution of Rs.23,52.94 lakhs (Previous year Rs.4117.65 lakhs) is secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai and Elavur. Term Loan is repayable in 17 equal quarterly installments starting from 30th December, 2011. The interest rate ranges from 12.00% p.a to 12.50% p.a.
- 2.3.6.3 Term Loan from a financial institution of Rs. 50,00.00 lakhs (Previous year Rs. nil lakhs) is secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai and Elavur. Term Loan is repayable in 24 equal quarterly installments starting from 01st July, 2016. The interest rate ranges from 12.00% p.a to 13.00% p.a.
- 2.3.6.4 Term Loan from a financial institution of Rs.39,54.00 lakhs (Previous year Rs.39,54.00 lakhs) is to be secured by way of second pari-passu charge on all movable Fixed Assets and Current Assets, both present and future of the Company. The loan is repayable in 54 monthly installments starting from April, 2015. The interest rate ranges from 14.00% p.a to 14.50% p.a.

Notes on Financial Statements

Amount Rs. in lakhs

2.4 DEFERRED TAX LIABILITIES (NET)

The break up of deferred tax assets and deferred tax liabilities are as given below.

Particulars	Opening as on 01.04.2014	Adjustment as on 01.04.2014 (refer note no. 2.11.4)	Charge or (Credit) during the Year	Closing as at 31.03.2015
Deferred Tax Assets:				
1. Expenses Allowable on payment Basis	8,05.94	–	-4,18.29	12,24.23
2. Provision for doubtful debts and advances	3,13.40	–	-5.70	3,19.10
3. Others	9,99.83	–	1,45.08	8,54.75
Deferred Tax Liabilities:				
1. Depreciation etc.	51,76.98	-3,15.85	4,77.85	53,38.98
2. Liquidated Damages and Retention money	4,57.09	–	-3,11.27	1,45.82
Net Deferred Tax Liability	<u>35,14.90</u>	<u>-3,15.85</u>	<u>-1,12.33</u>	<u>30,86.72</u>

2.5 OTHER LONG TERM LIABILITIES

Particulars	Ref. Note No.	As at March 31, 2015	As at March 31, 2014
Trade payables		16.48	4,46.21
Others		66.23	53.46
		<u>82.71</u>	<u>4,99.67</u>
2.6 LONG TERM PROVISION			
Provision for employee benefits	2.31	8,37.40	8,38.02
Provision for mine closure and restoration charges	2.6.1	4,61.22	3,67.58
Others		–	3,00.00
		<u>12,98.62</u>	<u>15,05.60</u>

2.6.1 Provision for Mines closure and restoration charges are made in terms of statutory obligations specified for the purpose and deposited in the Escrow account in terms of the stipulation made by Ministry of Coal, for Mines closure Plan. (Refer note 2.18)

2.7 SHORT TERM BORROWINGS

SECURED LOANS

Repayable on demand from banks	2.7.1 & 2.7.2		
Indian Currency		2,81,20.07	2,33,66.04
Foreign Currency		4,99,59.61	4,18,54.80
		<u>7,80,79.68</u>	<u>6,52,20.84</u>
UNSECURED LOANS			
Repayable on demand from banks			
Indian Currency		–	10,00.00
Foreign Currency		28,43.43	23,36.49
From a related party	2.38	96.34	92.35
		<u>29,39.77</u>	<u>34,28.84</u>
		<u>8,10,19.45</u>	<u>6,86,49.68</u>

2.7.1 Loans repayable on demand being Working Capital facilities from Banks (both fund based and non fund based) are secured by first pari passu charge by way of joint hypothecation of raw materials, finished goods, work in progress, consumable stores and spares, book debts / receivables and other current assets of the Company both present and future.

Notes on Financial Statements

2.7.2. Fixed Deposits amounting to Rs. 30,00.00 lakhs (previous year units of mutual funds amounting to Rs. 30,00.00 lakhs) are pledged with Bank for availing working capital facility (Refer note no. 2.13.2 & 2.18.1)

2.8 TRADE PAYABLES

Amount Rs. In lakhs

Particulars	Ref. note no.	As at	
		March 31, 2015	March 31, 2014
Trade payables	2.8.1 & 2.8.2	2,19,44.97	3,04,73.60
		2,19,44.97	<u>3,04,73.60</u>

2.8.1 Including acceptances of Rs.19,50.59 lakhs (previous year Rs.1,49,50.56 lakhs)

2.8.2 Disclosure of Trade payables is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the balance sheet date. Based on above the relevant disclosures u/s 22 of the Act are as follows:

1. Principal amount outstanding at the end of the year	Nil	Nil
2. Interest amount due at the end of the year	Nil	Nil
3. Interest paid to suppliers	Nil	Nil

2.9 OTHER CURRENT LIABILITIES

Current maturities of long-term debt	2.3		
Secured		3,69,62.66	1,87,28.50
Interest accrued but not due on borrowings		32,53.18	32,56.30
Interest accrued and due on borrowings		1,55.59	2,40.99
Advance from customers		20,04.67	16,68.96
Unclaimed dividends	2.9.1	1,11.52	1,24.14
Other payables			
Credit balances in current account with banks		13,60.03	9,46.53
Statutory dues - PF, ESI, Service Tax, TDS, Entry Tax etc.		38,31.12	20,94.72
Excise duty on stock		8,40.09	13,57.94
Capital vendors		32,94.70	52,25.26
Others		1,30.41	6,12.67
		5,19,43.97	<u>3,42,56.01</u>

2.9.1 The same is not due for payment to investor education and protection fund.

2.10 SHORT TERM PROVISIONS

Provision for employee benefits	2.31	16,60.00	11,97.62
Others			
Provision for taxation (net of advance tax)		23,02.76	3,19.22
Provision for dividend	2.1.3 & 2.1.4	23,20.21	22,34.81
Provision for tax on dividend		4,72.34	3,79.81
Provision for losses on derivative transactions on mark to market basis		2,23.77	4,98.27
Other Provisions	2.10.1	9,12.98	9,97.28
		78,92.06	<u>56,27.01</u>

2.10.1 Other provisions include (a) provision relating to indirect taxes in respect of proceedings of various excise duty matters – carrying amount at the end of the year Rs.5,00.00 lakhs (previous year Rs.5,00.00 lakhs). No amount was used and reversed during the year. Outflows in these cases would depend on the final developments/outcomes; (b) Other class of provisions related to disputed customer claims/rebates/demands – carrying amount at the end of the year Rs.2,10.00 lakhs (previous year Rs.2,10.00 lakhs). No amount was used and reversed during the year.

Notes on Financial Statements

2.11 FIXED ASSETS

Amount Rs. In Lakhs

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	Cost as on April 01, 2014	Additions	Sales/ Adjustments	Other Adjustments	Cost as on March 31, 2015	Upto March 31, 2014	For The Year	Sales/ Adjustments	Upto March 31, 2015	As on March 31, 2015	As on March 31, 2014
1	2	3	4	5	6	7	8	9	10	11	12
Tangible Assets											
Land-freehold	5,75,39.32	2,71.37	-	-	5,78,10.69	-	-	-	-	5,78,10.69	5,75,39.32
Land-leasehold	17,77.95	18.34	-	-	17,96.29	1,26.76	19.79	-	1,46.55	16,49.74	16,51.19
Buildings	1,72,76.20	24,70.45	13.75	-	1,97,32.90	61,55.42	34,56.58	6.17	96,05.83	1,01,27.07	1,11,20.78
Railway Siding	47,97.11	-	-	-	47,97.11	10,39.02	4,83.49	-	15,22.51	32,74.60	37,58.09
Plant And Equipments	8,01,51.91	76,62.21	9,72.35	-	8,68,41.77	4,60,04.84	45,45.97	6,91.69	4,98,59.12	3,69,82.65	3,41,47.07
Office Equipment	6,57.40	23.08	2.22	-	6,78.26	3,52.64	1,40.05	2.09	4,90.60	1,87.66	3,04.76
Furniture And Fixtures	6,29.03	13.69	0.13	-	6,42.59	4,72.44	53.62	0.13	5,25.93	1,16.66	1,56.59
Vehicles	10,66.56	2,15.59	1,08.13	-	11,74.02	5,02.02	2,65.03	87.48	6,79.57	4,94.45	5,64.54
Livestock	1.11	-	-	-	1.11	-	-	-	-	1.11	1.11
Total	16,38,96.59	1,06,74.73	10,96.58	-	17,34,74.74	5,46,53.14	89,64.53	7,87.56	6,28,30.11	11,06,44.63	10,92,43.45
Intangible Assets											
Computers Softwares	7,56.13	69.86	-	-	8,25.99	5,46.45	52.20	-	5,98.65	2,27.34	2,09.68
Mining Rights	15.32	-	-	-	15.32	5.65	1.53	-	7.18	8.14	9.67
Total	7,71.45	69.86	-	-	8,41.31	5,52.10	53.73	-	6,05.83	2,35.48	2,19.35
Grand Total	16,46,68.04	1,07,44.59	10,96.58	-	17,43,16.05	5,52,05.24	90,18.26	7,87.56	6,34,35.94	11,08,80.11	10,94,62.80
Previous Year	15,89,17.71	59,88.41	13,21.27	10,83.19	16,46,68.04	4,94,67.30	66,88.94	9,51.00	5,52,05.24	10,94,62.80	

Notes :

- 2.11.1 Freehold Land and Buildings pertaining to Elavur, Khardah and Haldia Units of the Company, has been revalued by an approved valuer as on 31st March 2013 on direct sales approach basis and depreciated/replacement cost approach basis respectively. Accordingly, net increase of Rs. 57,330.74 lakhs as on 31st March 2013 in the value of these fixed assets due to such revaluation had been transferred to Revaluation Reserve.
- 2.11.2 Depreciation and amortization amounting to Rs. 19,35.36 lakhs (previous year Rs. 524.74 lakhs) pertains to additional depreciation due to revaluation of Buildings on 31st March 2013. This amount which has been adjusted from revaluation reserve and credited to statement of Profit & Loss, has been transferred to general reserve in this year.
- 2.11.3 Depreciation and amortization for the year includes Rs. 7,38.89 lakhs (previous year Rs. 867.49 lakhs) transferred to pre-operative of coal mines (Refer note no 2.33.d).
- 2.11.4 During the year, depreciation has been provided based on the life of the assets as per schedule II of the Companies Act, 2013. In term of said schedule, the carrying amount of the asset existing as on 1st April 2014 has been depreciated over the remaining life of the assets. Consequently upon the application of schedule II as above (including note no.2.11.2), depreciation for the year is higher by Rs. 1613.99 lakhs. Where the remaining life of the assets is nil as on 1st April 2014, the carrying amount of Rs. 15,36.37 lakhs (net off deferred tax of Rs. 315.85 lakhs) (including Rs. 792.67 lakhs pertaining to revalued assets) after retaining the residual value, has been fully depreciated and has been adjusted against general reserve.
- 2.11.5 Plant and Equipments includes :
(a) Rs. 827.18 lakhs (previous year Rs. 827.18 lakhs) being contribution for laying the Power line, the ownership of which does not vest with the company.
(b) Rs. 2,498.72 lakhs (previous year Rs. 2,498.72 lakhs) being cost of wagons procured under "Wagon Investment Scheme".
(c) Railway Siding Rs. 4,543.18 lakhs (previous year Rs. 4,543.18 lakhs) incurred for construction, the ownership of which does not vest with the company.
- 2.11.6 Leasehold Land of Rs. 240.00 lakhs (previous year Rs. 240.00 lakhs) is pending execution of lease agreement and registration thereof.
- 2.11.7 Freehold land includes Rs. 3,35.81 lakhs (previous year Rs. 405.06 lakhs) in respect of which the execution of conveyance deeds is under process.
- 2.11.8 Other adjustments includes Rs. nil (previous year Rs. 10,83.19 lakhs) representing foreign exchange fluctuation.
- 2.11.9 Land with factory buildings (net block Rs. 13,491.04 lakhs) at Elavur plant of the Company are mortgaged in the favour of lender to Electrosteel Steels limited, an associate of the Company.
- 2.11.10 Refer note no. 2.3.

Notes on Financial Statements

2.12 NON-CURRENT INVESTMENTS- AT COST

Amount Rs. in lakhs

(Fully paid up except otherwise stated)

Particulars

(A) Trade

Equity Shares

Quoted

R.G. Ispat Limited (Face value of Rs. 10/- each)

As at March 31, 2015		As at March 31, 2014	
Holding	Value	Holding	Value
50	0.00	50	0.00
100	0.01	100	0.01
1,000	0.05	1,000	0.05
	<u>0.06</u>		<u>0.06</u>

Unquoted

Rainbow Steels Limited (Face value of Rs. 10/- each)

Metal Scrap Trade Corporation Limited (Face value of Rs. 10/- each)

(B) Others

Equity Shares

Quoted

Associates

Srikalahashti Pipes Limited (Formerly Lanco Industries Limited)
(Face value of Rs. 10/- each)

1,93,01,218	63,33.53	1,93,01,218	63,33.53
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Electrosteel Steels Ltd. (Face value Rs. 10/-each)

1,08,98,00,000	11,10,77.64	86,73,00,000	8,88,27.65
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Unquoted

Subsidiaries

Electrosteel Europe SA (Face value of Euro 10 each)

3,80,000	23,23.41	3,80,000	23,23.41
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Singardo International Pte Ltd. (Face value of SGD 1 each)*

-	-	15,00,000	4,39.89
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Electrosteel Algeria SPA (Face value of 3550 Algerian Dinar each
(previous year 1000 Algerian Dinar each)

82,500	9,14.41	82,500	5,20.33
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Electrosteel Castings (UK) Ltd. (Face value of GBP 1 each)

11,00,000	10,59.26	11,00,000	10,59.26
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Electrosteel USA, LLC

#	14,45.60	#	14,45.60
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Electrosteel Trading S.A.Spain (Face value of Euro 1 each)

65,000	45.10	65,000	45.10
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Mahadev Vyapaar Pvt Ltd. (Face value of Rs.10/- each)

10,000	12,03.00	10,000	12,03.00
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Electrosteel Castings Gulf FZE (Face value of UAE Dhiram 1000000 each)

1	1,50.60	1	1,50.60
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Electrosteel Brasil LTDA Tubos E Conexoes Duteis (Face value of BRL 1 each)

1,50,000	45.05	1,50,000	45.05
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Electrosteel Doha for Trading LLC (Face value of QAR 1000 each)

98	14.84	98	14.84
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Electrosteel Baharain Holding S.P.C. Company (Face value of BHD 100 each)

2,500	4,14.83	-	-
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Associate

Electrosteel Thermal Power Ltd. (Face value of Rs.10/- each)

15,000	1.50	15,000	1.50
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Joint Venture

Domco Pvt. Ltd. (Face value of Rs.100/- each)

30,000	30.00	30,000	30.00
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North Dhadhu Mining Company Pvt. Ltd. (Face value of Rs.10/- each)

82,28,053	8,22.81	82,28,053	8,22.81
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Other Companies

Singardo International Pte Ltd. (Face value of SGD 1 each)

25,000	7.33	-	-
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N Marshall Hi-tech Engineers Pvt. Ltd. (Face value of Rs.10/- each)

50,000	5.00	50,000	5.00
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<u>12,58,93.91</u>		<u>10,32,67.57</u>	
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Quoted Preference share

Mukand Limited (0.01% Cumulative Redeemable Preference
Shares Face value of Rs.10/-each)

16	0.00	16	0.00
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<u>12,58,93.91</u>		<u>10,32,67.57</u>	
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Less : Provision for investments

<u>30.00</u>		<u>30.00</u>	
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<u>12,58,63.91</u>		<u>10,32,37.57</u>	
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Total – Non-Current Investments

<u>12,58,63.97</u>		<u>10,32,37.63</u>	
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Towards 100% Capital Contribution

Aggregate amount of Quoted Investments

- Other Investments

11,74,11.17		9,51,61.18	
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Aggregate amount of Unquoted Investments

- Other Investments

84,52.80		80,76.45	
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<u>12,58,63.97</u>		<u>10,32,37.63</u>	
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Aggregate amount of Market value of Quoted Investments

Other Investments

7,12,55.83		4,61,17.31	
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<u>7,12,55.83</u>		<u>4,61,17.31</u>	
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Notes on Financial Statements

Notes :

* During the year Singardo International Pte Ltd has ceased to be a subsidiary /associate of the company.

- 2.12.1 86,67,50,000 Equity shares of Rs.10/- each fully paid up of Electrosteel Steels Limited aggregating Rs.88,771.31 lakhs held by the Company as Investment have been pledged in favour of Electrosteel Steels Limited lenders for securing financial assistance to Electrosteel Steels Limited.
- 2.12.2 The Company's investment in Electrosteel Steels Limited being strategic and long term in nature and there being no permanent decline in value thereof as per independent valuation, no provision has been considered necessary with regard to diminution with respect to market value of these investment.
- 2.12.3 The Company has Investment in equity shares of DOMCO Private Limited (DPL), a company incorporated in India, and has joint control (Proportion of ownership interest of the company being 50%) over DPL along with other Venturers (the Venturers). The Venturers had filed a petition before the Company Law Board – Principle Bench, New Delhi (CLB) against the company on various matters including for forfeiture of the company's investment in equity share of the DPL. CLB Passed the interim order in favour of the Venturers. Thereafter the company had challenged the order passed by CLB before appropriate bench in Jharkhand High Court and obtained the favourable order. The Venturers thereafter filed a Letters Patent Appeal before Division Bench of Jharkhand High Court. The Division Bench of Jharkhand High Court set aside the order passed by CLB mentioning therein amongst other that "a) CLB to decide whether the allegation made by Venturers under section 397 & 398 amounts to Oppression or Mismanagement and b) thereafter to consider the other interlocutory application of the company filed under section 8 of The Arbitration and Conciliation Act". Thereafter the CLB has passed the order whereby it was held that the matter is a case of Oppression & Mismanagement by Electrosteel. This order was challenged by a Writ Petition in Calcutta High Court and the said order has been set aside with direction to pass the fresh order. The matter is still pending with CLB and no order has been passed till now. Pending final outcome of the matter and since, the Venturers are not providing the Financial Statement of DPL, and thereby required consolidation and disclosures as regards to contingent liabilities, capital commitment, if any, aggregate amounts of the assets, liabilities, income and expenses related to the company's interest in DPL has not been given effect to in these financial statements.
- 2.12.4 (a) The North Dhadhu Coal Block located in the state of Jharkhand was allocated to the Company, M/s. Adhunik Alloys & Power Limited (AAP), M/s. Jharkhand Ispat Pvt. Ltd. (JPL) and M/s. Pawanjay Steel & Power Limited (PSPL) (collectively referred to as venturers) for working through a joint venture company. Accordingly, North Dhadhu Mining Company Private Limited (NDMCPL), a company in which the Company has joint control (proportion of ownership interest of the Company being 48.98 %) along with other venturers was formed. The Company has investment of Rs.8,22.81 Lakhs in equity shares of NDMCPL.
- (b) The Ministry of Coal, Government of India had issued an order for de-allocation of North Dhadhu Coal Block and deduction of Bank Guarantee of Rs.56.03 crores issued for the same. The Company's share in the Bank Guarantee is Rs.27.45 crores. On a writ petition filed by the Company for quashing the order, stay has been granted by the Hon'ble High Court of Jharkhand. Subsequent to this, the allocation of the said block as given in note no 2.33.b has been cancelled with effect from 24th September 2014 and reference should be made of the said note for the current status of the investments in the said Joint Venture.

2.12.5 Information on other joint venture (other than 2.12.3)

SI. Name of the Joint Venture No.

- (i) North Dhadhu Mining Company Private Limited
- (ii) Contingent liabilities in respect of Joint Ventures.
- A) Guarantee given by banks on behalf of the Company
- (iii) Interest in assets, liabilities, revenue and expenses with respect to jointly controlled entities.

A) Assets :

- a) Fixed Assets (Net Block) :
Capital Work-in-Progress
- b) Current Assets
Cash & Bank Balances
Long term loans & advances
Short term loans & advances
Other Current Assets
Current Investments

B) Current Liabilities :

- a) Other current liabilities
b) Trade payables
c) Short Term Provisions

C) Revenue

D) Expenses

Country of Incorporation	Percentage of ownership interest
India	48.98
	Amount Rs. In lakhs
2014-15	2013-14
-	27,45.47
0.21	0.30
7,13.73	7,13.73
49.13	80.16
6.17	6.17
2.40	2.40
4.06	19.75
51.55	5.02
0.07	0.07
0.85	0.85
(0.27)	1.65
5.25	9.12
2.78	5.29

2.12.6 Particulars of investments as required in terms of Section 186(4) of the Companies Act, 2013 have been disclosed under note no 2.12 and 2.13.

2.13 CURRENT INVESTMENTS- AT COST

(Fully paid up except otherwise stated)

Others Non-trade

Equity Shares (Quoted)

Coal India Limited (Face value of Rs.10/-each)	19,000	49.96	22,000	57.87
Jindal Drilling & Industries Ltd. (Face value of Rs.5/- each)	1,76,500	5,19.99	1,76,500	5,19.99
Manganese Ore India Ltd. (Face value of Rs.10/- each)	3,794	14.23	3,794	14.23
Reliance Industries Ltd. (Face value of Rs.10/- each)	18,000	1,60.19	18,000	1,60.19
Andhra Bank (Face value of Rs.10/- each)	5,000	7.87	5,000	7.87
Container Corporation of India Ltd. (Face value of Rs.10/- each)	-	-	7,500	6.48
3I Infotech Ltd. (Face value of Rs.10/- each)	60,000	18.01	60,000	18.01
BGR Energy Systems Ltd. (Face value of Rs.10/- each)	1,500	5.48	1,500	5.48
Bharat Heavy Electricals Ltd. (Face value of Rs.2/- each)	12,500	41.94	12,500	41.94
Fortis Healthcare (India) Ltd. (Face value of Rs.10/- each)	4,000	5.75	4,000	5.75
GTL Infrastructure Ltd. (Face value of Rs.10/- each)	60,000	8.25	60,000	8.25

As at March 31, 2015		Amount Rs. in lakhs As at March 31, 2014	
Holding	Value	Holding	Value
19,000	49.96	22,000	57.87
1,76,500	5,19.99	1,76,500	5,19.99
3,794	14.23	3,794	14.23
18,000	1,60.19	18,000	1,60.19
5,000	7.87	5,000	7.87
-	-	7,500	6.48
60,000	18.01	60,000	18.01
1,500	5.48	1,500	5.48
12,500	41.94	12,500	41.94
4,000	5.75	4,000	5.75
60,000	8.25	60,000	8.25

Notes on Financial Statements

2.13 CURRENT INVESTMENTS – AT COST (Contd.)

Amount Rs. in lakhs

(Fully paid up except otherwise stated)

	As at March 31, 2015		As at March 31, 2014	
Gujarat Fluorochemicals Ltd. (Face value of Re.1/- each)	-	-	500	2.36
Garden Silk Mills Ltd. (Face value of Rs.10/- each)	1,000	0.80	1,000	0.80
Jyoti Structures Ltd. (Face value of Rs.2/- each)	5,000	3.59	5,000	3.59
Navin Fluorine International Ltd. (Face value of Rs.10/- each)	-	-	1,104	4.34
National Aluminium Company Ltd. (Face value of Rs.5/- each)	2,500	1.95	2,500	1.95
Punjab National Bank (Face value of Rs.2/- each)	10,000	19.86	2,000	19.86
Pilani Investment and Industries Corporation Ltd. (Face value of Rs.10/- each)	700	17.17	700	17.17
Sesa Sterlite Industries Ltd. (Face value of Re.1/- each)	2,000	4.18	3,000	6.27
Taj GVK Hotels & Resorts Ltd. (Face value of Rs.2/- each)	-	-	5,000	4.93
Timex Group India Ltd. (Face value of Re.1/- each)	1,000	0.28	1,000	0.28
Tata Teleservices (Maharashtra) Ltd. (Face value of Rs.10/- each)	28,333	4.91	28,333	4.91
		8,84.41		9,12.52
Less: Provision		2,79.82		2,52.50
Total – Equity Shares		6,04.59		6,60.02
Bonds (Quoted)				
8.74% RRUVUNL (Tranche 11) 26/03/2027 of Rs.10,00,000 each	4	40.00	-	-
11% Bank Of India Perpetual Bonds of Rs.10,00,000 each	3	30.76	-	-
11.50% ITNL NCD 21/06/2024 of Rs.10,00,000 each	4	40.11	-	-
9.70% G.E.Shipping 15 April 2021 of Rs.10,00,000 each	-	-	1,21	12,73.89
10.45% GSPC 28/09/2072 of Rs.10,00,000 each	-	-	1,44	15,14.57
10.20% Shriram Equipment Finance Co Ltd NCD 2023 of Rs.10,00,000 each	-	-	33	3,09.87
Total –Bonds		1,10.87		30,98.33
Units of Mutual Funds				
Quoted				
HDFC Fixed Maturity Plans – Series 23 384D of Rs.10 each	-	-	50,00,000	5,00.00
HDFC Fixed Maturity Plans–Series 25 405D of Rs.10 each	-	-	1,00,00,000	10,00.00
Birla Sun Life Fixed Term Plan–Series GV (368 Days) of Rs.10 each	-	-	1,00,00,000	10,00.00
Reliance Yearly Interval Fund – Series 6 of Rs.10 each	-	-	50,00,000	5,00.00
Total – Units of Mutual Funds – note 2.13.2		-		30,00.00
Total – Current Investments		7,15.46		67,58.35
Aggregate amount of Quoted Investments				
- In Mutual Funds	-	-	30,00.00	
- In Bonds and Commercial Papers	1,10.87		30,98.33	
- In Equity Shares	6,04.59	7,15.46	6,60.02	67,58.35
Aggregate amount of Market value of Quoted Investments				
- In Mutual Funds	-	-		32,42.87
- In Bonds		1,18.04		31,80.91
- In Equity Shares		6,04.59		6,60.02
		7,22.63		70,83.80

2.13.1 Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower except in case of debenture, bonds and government securities where the net present value at current yield to maturity have been considered.

2.13.2 Pledged with lenders against overdraft facility. (refer note no. 2.7.2)

2.13.3 Refer note no. 2.12.6 for particulars of investments.

Notes on Financial Statements

		Amount Rs. in lakhs	
Particulars	Ref. note no.	As at March 31, 2015	As at March 31, 2014
2.14 LONG TERM LOANS AND ADVANCES			
UNSECURED, CONSIDERED GOOD			
Capital Advances	2.14.4	6,66.39	11,24.57
Security Deposits	2.14.3	13,36.06	54,76.06
Others			
Prepaid expenses		1,16.96	12.47
Loans and Advances to related party	2.38	-	2,22,50.00
Others	2.14.1	14.66	3.08
		21,34.07	2,88,66.18
2.14.1 Including loans and advance to employees amounting to Rs.14.21 lakhs (previous year Rs.2.63 lakhs)			
2.14.2 In the opinion of the Board of Directors, current assets and loans and advances have the value at which these are stated in the Balance Sheet, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.			
2.14.3 Security deposits include Rs.5,57.50 lakhs (previous year Rs.5,57.50 lakhs) with private limited companies in which directors are interested as a member /director and Rs.2,03.00 lakhs (previous year Rs.38,22.30 lakhs) with related parties.			
2.14.4 Capital advances includes Rs.5.27 lakhs (previous year Rs.5.27 lakhs) paid to related party			
2.15 OTHER NON-CURRENT ASSETS			
UNSECURED, CONSIDERED GOOD			
Long Term Trade Receivables		3,39.14	12,79.32
Fixed Deposit (having original maturity of more than 1 year)		0.54	-
		3,39.68	12,79.32
2.16 INVENTORIES			
Raw materials		2,56,07.46	2,93,31.54
Raw materials (goods in transit)		5,17.67	17,39.13
Finished goods	2.16.2	1,27,38.30	1,47,40.52
Process stock	2.16.2	47,91.91	35,40.34
Stock-in-trade (in respect of goods acquired for trading)		-	38.62
Stores and spares		54,07.54	59,57.53
Stores and spares (goods in transit)		2,13.97	2,18.97
		4,92,76.85	5,55,66.65
Work-in-progress (Turnkey Projects)	2.16.2	7,91.70	5,11.70
Less: Progress payment received		4,89.99	3,98.82
		3,01.71	1,12.88
		4,95,78.56	5,56,79.53
2.16.1. Refer note no. 2.7.1 and 2.17.1			
2.16.2 Details of Inventories			
Finished goods			
D.I. Spun pipes		80,11.36	61,65.27
C.I. Spun pipes		3,27.84	3,93.59
Metallurgical Coke		16,96.19	58,54.68
Others		27,02.91	23,26.98
		1,27,38.30	1,47,40.52
Process stock			
D.I. Spun pipes		35,57.30	25,43.21
D.I. Fittings		9,94.93	7,91.32
Others		2,39.68	2,05.81
		47,91.91	35,40.34
Work-in-progress (Turnkey Projects)			
Pipes		4,57.47	5,06.30
Others		3,34.23	5.40
		7,91.70	5,11.70

Notes on Financial Statements

2.17 TRADE RECEIVABLES

Amount Rs. in lakhs

Particulars	Ref. note no.	As at March 31, 2015	As at March 31, 2014
CURRENT	2.7.1		
UNSECURED, CONSIDERED GOOD			
Trade outstanding for period exceeding six months from the date they become due for payment		28,72.50	21,27.96
Others		5,51,62.26	5,95,57.85
		5,80,34.76	6,16,85.81

2.17.1 Balances of Trade Receivables including for Turnkey Contracts, Work-in-progress, Creditors and advances are subject to confirmation/reconciliation and adjustments in this respect are carried out as and when amounts thereof, if any are ascertained.

2.18 CASH AND BANK BALANCES

Cash and Cash Equivalents			
Balances with banks			
In current and cash credit accounts	2.18.2	78,05.12	82,81.17
In dividend accounts		1,11.52	1,24.14
Cash on hand		19.26	8.87
		79,35.90	84,14.18
Other balance with banks			
In current accounts	2.6.1	4,61.22	3,67.58
Margin money/Fixed deposits(having original maturity of more than 3 months)	2.18.1 & 2.18.2	1,26,25.30	1,41,02.60
		2,10,22.42	2,28,84.36

2.18.1 Fixed Deposits with Banks include Fixed Deposit of Rs.31,07.27 lakhs (previous year Rs.3,39.71 lakhs) lodged with Government Departments, Customers and Bank.

2.18.2 Includes Fixed Deposits of Rs.95,16.64 lakhs (previous year Rs.1,37,16.64 lakhs) and bank Balance of Rs. nil lakhs (previous year Rs.50,00.00 lakhs) in respect of External Commercial Borrowings loan pending utilisation for intended use.

2.19 SHORT TERM LOANS AND ADVANCES

UNSECURED, CONSIDERED GOOD	2.7.1		
Loans and advances to related parties	2.38 & 2.19.2	2,62,99.99	96,93.47
Other loans and advances			
Security Deposits		10,97.90	6,41.39
For supply of goods and rendering of services		12,92.10	15,60.17
Balance with Government authorities		74,54.87	68,73.55
Prepaid expenses		2,59.84	3,05.43
Others		1,08.04	1,61.44
		3,65,12.74	1,92,35.45
DOUBTFUL ADVANCES			
Loans and advances to related parties		7,00.00	7,00.00
Others		12.04	12.04
		7,12.04	7,12.04
Less : Provision for doubtful advances		7,12.04	7,12.04
		—	—
		3,65,12.74	1,92,35.45

Notes on Financial Statements

2.19.1 Disclosure of Loans and Advances as per the requirement of clause 32 of the listing agreement with the stock exchanges in India.

	Amount Outstanding at the year end 2014-15 (Rs. in lakhs)	Maximum Amount Outstanding during the year 2014-15 (Rs. in lakhs)	Amount Outstanding at the year end 2013-14 (Rs. in lakhs)	Maximum Amount Outstanding during the year 2013-14 (Rs. in lakhs)
Loans and advances in the nature of loans to Subsidiaries and Associates:				
(a) Singardo International Pte Ltd.*	-	99.12	95.25	99.12
(b) Electrosteel Castings (UK) Limited	-	27,92.70	-	-
(c) Mahadev Vyapaar Private Limited	4,30.12	4,45.89	4,45.39	4,59.33
Loans and advances in the nature of loans to Employees where there is:				
(a) Repayment beyond seven years	-	-	-	-
(b) No interest applicable for employees loan as per general rules of the Company	77.69	1,07.58	64.97	82.74
Loans and advances in the nature of loans to Firms/ Companies in which directors are interested				
Loans and advance in the nature of loans and loanee has invested in :				
(a) Shares of Parent Company	-	-	-	-
(b) Shares of a Subsidiary (including sub/fellow subsidiary)	-	-	-	-

*During the year Singardo International Pte Ltd has ceased to be a subsidiary/associate of the company.

2.19.2 All the above Loans & Advances in the nature of Loan (except those given to employees) have been given for general corporate purpose. In respect of interest free loan given to Mahadev Vyapaar Pvt. Ltd., reference should be made to note no. 2.45.

2.20 OTHER CURRENT ASSETS

Particulars

Ref. Note No.

As at March 31, 2015

Amount Rs. in lakhs

As at March 31, 2014

Interest receivable		38.57	2,61.76
Incentive/Subsidy receivable		56,42.29	46,33.42
Export incentive receivable		42,58.70	48,00.84
Forward Premium receivable		27,89.69	33.25
Others		5,32.54	8,98.18
		<u>1,32,61.79</u>	<u>1,06,27.45</u>

2.21 REVENUE FROM OPERATIONS

Particulars

2.21.1

For the year ended 31.03.2015

For the year ended 31.03.2014

Sale of products		21,26,71.01	21,37,15.27
Sale of services (Turnkey contracts)		10,04.14	6,18.22
Other operating revenues		52,45.37	67,91.32
Incentive on exports		14,08.30	23,84.24
Others		22,03,28.82	22,35,09.05
Less: Excise duty		49,50.93	48,21.12
		<u>21,53,77.89</u>	<u>21,86,87.93</u>

2.21.1 Details of products sold

Finished goods sold

D.I. Spun pipes		14,22,80.69	14,93,94.29
C.I. Spun pipes		1,36,74.95	1,16,77.31
Others		5,12,53.25	3,65,18.08
		<u>20,72,08.89</u>	<u>19,75,89.68</u>

Traded goods sold

Coke and Coal		37,30.11	1,21,42.89
Others		17,32.01	39,82.70
		<u>54,62.12</u>	<u>1,61,25.59</u>

Notes on Financial Statements

		Amount Rs. in lakhs	
2.22 OTHER INCOME			
Particulars	Ref. note no.	For the year ended 31.03.2015	For the year ended 31.03.2014
Interest income on			
Current investments		8.25	2,99.52
Interest on loans, deposits, overdue debts etc.		4,42.67	4,05.74
Dividend income			
Current investments		7.46	56.44
Non current investments		2,89.52	1.20
Net gain or loss on sale / redemption of investments			
Current investments (net)		3,72.05	8,73.65
Non current investments		7,21.24	-
Net gain or loss on foreign currency transaction and translation		8,58.18	-
Provision no longer required written back		3,37.22	2,10.00
Miscellaneous income		44.54	1,23.55
		30,81.13	19,70.10
2.23 COST OF MATERIALS CONSUMED			
Raw materials consumed	2.23.1	10,37,26.82	9,47,32.02
2.23.1 Details of materials consumed			
Iron ore		2,81,09.60	2,43,52.73
Coal		4,34,39.43	3,69,38.00
Others		3,21,77.79	3,34,41.29
		10,37,26.82	9,47,32.02
2.24 PURCHASES OF STOCK IN TRADE			
Coke and coal		36,13.11	1,15,26.69
Rubber gaskets		26,31.91	27,01.35
DI fittings		2,56.21	14,51.48
Others		21,51.87	25,77.78
		86,53.10	1,82,57.30
2.25 (INCREASE)/DECREASE IN INVENTORIES			
Closing Stock:			
Finished		1,27,38.30	1,47,40.52
Stock-in-trade (in respect of goods acquired for trading)		-	38.62
Process		47,91.91	35,40.34
Work in Progress (Turnkey Projects)		7,91.70	5,11.70
		1,83,21.91	1,88,31.18
Less : Opening stock			
Finished		1,47,40.52	1,21,01.03
Stock-in-trade (in respect of goods acquired for trading)		38.62	-
Process		35,40.34	27,23.95
Work in Progress (Turnkey Projects)		5,11.70	10,42.36
		1,88,31.18	1,58,67.34
		5,09.27	-29,63.84

Notes on Financial Statements

		Amount Rs. in lakhs	
2.26 EMPLOYEE BENEFITS EXPENSE			
Particulars	Ref. note no.	For the year ended 31.03.2015	For the year ended 31.03.2014
Salaries and wages		1,44,73.84	1,35,40.92
Contribution to provident and other funds		7,88.29	6,64.79
Staff welfare expenses		7,28.54	6,70.34
		<u>1,59,90.67</u>	<u>1,48,76.05</u>
2.27 FINANCE COSTS			
Interest expense		1,16,40.00	99,69.77
Net gain/loss on foreign currency transactions and translation		23,41.28	28,72.48
Other borrowing cost		5,50.34	7,39.71
		<u>1,45,31.62</u>	<u>1,35,81.96</u>
2.28 DEPRECIATION AND AMORTISATION EXPENSES			
Depreciation and amortization expense	2.11	67,43.00	58,21.45
Less: Transfer from Revaluation Reserve	2.11.2	-	5,24.74
		<u>67,43.00</u>	<u>52,96.71</u>
2.29 OTHER EXPENSES			
Consumption of stores and spare parts	2.29.2	1,38,54.11	1,30,17.62
Power and fuel		1,71,03.74	1,58,15.26
Rent	2.29.4	7,73.75	8,07.44
Repairs to buildings		2,61.17	1,65.96
Repairs to machinery		3,47.25	1,78.09
Insurance		3,05.95	3,70.83
Rates and taxes		3,70.26	4,28.37
Directors fees and commission		86.74	57.89
Packing & forwarding charges [net of realisation Rs.6461.87 lakhs (previous year Rs.4433.60 lakhs)]		90,40.97	1,11,95.78
Commission to selling agents		58,03.20	53,51.63
Job charges		15,89.46	24,17.89
Excise duty on stock		-41.07	1,32.72
Bad debts		-	26.80
Less : Provision for bad and doubtful debts		-	-26.80
Loss on sale of fixed assets (net)		6.28	81.96
Provision for bad and doubtful debts		-	2,10.00
Net loss on foreign currency translation		-	25,29.78
Provision for diminution in value of investments		27.32	-
Miscellaneous expenses	2.29.1, 2.29.3 & 2.29.6	91,41.76	1,05,19.89
		<u>5,86,70.89</u>	<u>6,32,81.11</u>
2.29.1 Miscellaneous expenses includes auditors remuneration.			
(a) Audit Fees		15.00	14.00
(b) Other services - Certificates, etc.		8.51	6.85
2.29.2 Stores and spares consumption include pipe moulds written off			
		2,80.03	2,35.84

Notes on Financial Statements

- 2.29.3 Miscellaneous expenses include Charity and Donation of Rs.2,63.62 lakhs (previous year Rs.3,07.70 lakhs).
- 2.29.4 The Company has certain operating lease arrangements for office accommodations etc. with tenure extending upto 9 yrs. Term of certain lease arrangements include escalation clause for rent on expiry of 36 months from the commencement date of such lease and deposit / refund of security deposit etc. Expenditure incurred on account of rent during the year and recognized in the Profit and Loss account amounts to Rs.5,47.30 lakhs (previous year Rs.4,99.57 lakhs).
- 2.29.5 During the year, the Company has incurred Rs.89.65 lakhs (previous year Rs.89.47 lakhs) on account of research and development expenses which has been charged to Statement of Profit and Loss.
- 2.29.6 Miscellaneous expenses include expenses incurred on account of Corporate Social Responsibility (CSR) Rs.1,98.48 lakhs (previous year Rs. nil lakhs)

2.30 TAX EXPENSES - Current Tax

Amount Rs. in lakhs

Particulars	Ref. note no.	For the year ended	For the year ended
		31.03.2015	31.03.2014
Provision for current tax		24,78.82	34,69.78
Excess provision for Fringe Benefit tax written back		-	-45.88
		<u>24,78.82</u>	<u>34,23.90</u>

2.31 Employee Benefits

The disclosures required under Accounting Standard 15 on "Employee Benefits" are given below :

Defined Contribution Scheme

Contribution to Defined Contribution Plan, recognized for the year are as under :

	31.03.2015	31.03.2014
Employer's Contribution to Provident Fund	3,28.33	3,17.33
Employer's Contribution to Pension Fund	1,61.76	1,06.50
Employer's Contribution to Superannuation Fund	65.00	65.33

Defined Benefit Scheme

The employee's gratuity fund scheme managed by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Ltd. is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

a) **Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :**

	Gratuity (Funded)	
	2014-15	2013-14
Liability at the beginning of the year	16,92.03	14,92.89
Interest Cost	1,56.19	1,43.32
Current Service Cost	1,31.46	1,17.85
Actuarial (gain) / loss on obligations	1,67.27	26.37
Benefits paid	-52.66	-88.40
Liability at the end of the year	<u>20,94.29</u>	<u>16,92.03</u>

Notes on Financial Statements

Amount Rs. in lakhs

	Gratuity (Funded)	
	2014-15	2013-14
b) Changes in the Fair Value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows :		
Fair value of Plan Assets at the beginning of the year	10,87.44	8,42.10
Expected Return on Plan Assets	98.27	86.83
Contributions by the Company	1,70.20	2,50.42
Benefits paid	-52.66	-88.40
Actuarial gain / (loss) on Plan Assets	72.94	-3.51
Fair value of Plan Assets at the end of the year	13,76.19	10,87.44
Total actuarial gain / (loss) to be recognised	-94.33	-29.88
c) Actual return on Plan Asset		
Expected return on Plan Assets	98.27	86.83
Actuarial gain / (loss) on Plan Assets	72.94	-3.51
Actual Return on Plan Assets	1,71.21	83.32
d) Amount Recognised in Balance Sheet		
Liability at the end of the year	20,94.29	16,92.03
Fair value of Plan Assets at the end of the year	13,76.19	10,87.44
	7,18.10	6,04.59
e) Expenses Recognised in the Income Statement		
Current Service Cost	1,31.46	1,17.85
Interest Cost	1,56.19	1,43.32
Expected Return on Plan Assets	-98.27	-86.83
Net Actuarial (gain) / loss to be Recognised	94.33	29.88
Expenses Recognised in Profit & Loss Account	2,83.71	2,04.22
f) Balance Sheet Reconciliation		
Opening Net Liability	6,04.59	6,50.79
Expenses as above	2,83.71	2,04.22
Employers Contribution	-1,70.20	-2,50.42
Amount Recognised in Balance Sheet	7,18.10	6,04.59

	Gratuity (Funded)				
	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit obligation at the end of the year	20,94.29	16,92.03	14,92.89	12,54.18	11,80.69
Plan Asset at the end of the period	13,76.19	10,87.44	8,42.10	7,39.04	6,72.05
Funded status	7,18.10	6,04.59	6,50.79	5,15.14	5,08.64

Notes on Financial Statements

Amount Rs. in lakhs

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at 31.03.2015 is given below :

Particulars	As at March 31, 2015	As at March 31, 2014
Privileged Leave	9,94.90	8,90.62
Sick Leave	<u>6,72.22</u>	<u>5,40.16</u>
g) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	8.25%	8.25%
Rate of Return on Plan Assets	8.25%	9.00%

Notes :

- i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.
- ii) The Company expects to contribute Rs.2,00.00 lakhs (previous year Rs.2,00.00 lakhs) to Gratuity fund in 2015-16.

2.32 Calculation of Earning Per Share is as follows :

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(a) Net profit for basic and diluted earnings per share as per Statement of Profit and Loss	<u>72,67.16</u>	<u>1,00,55.84</u>
Net profit for basic and diluted earnings per share	<u>72,67.16</u>	<u>1,00,55.84</u>
(b) Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Re. 1/- per share)		
No of equity shares outstanding as on 20th May, 2014 (previous year outstanding as on 26th November, 2013)	34,38,17,322	32,67,52,705
Add : Issued during the year	<u>1,31,38,000</u>	<u>1,70,64,617</u>
Number of equity shares considered in calculating basic and diluted EPS	<u>35,69,55,322</u>	<u>34,38,17,322</u>
(c) Weighted average number of equity shares outstanding	35,51,91,590	33,25,96,752
(d) Earnings per share :		
a) Basic (Rs.)	2.05	3.02
b) Diluted (Rs.)	2.05	3.02

2.33.a. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the ordinance promulgated by the Government of India, Ministry of Law & Justice (Legislative Department) dated October 21, 2014 (Ordinance) for implementing the order allotment of Parbatpur coal block (coal block/mines) to the company which was under advanced stage of implementation, has been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till 31st March, 2015. Accordingly, the same has been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015.

The claim for compensation amounting to Rs.12,20,71.00 lakhs till March 31, 2014 and Rs.68,13.11 lakh during the year till handing over the mines is yet to be received by the company. The Company pending acceptance and recovery of the claim, has filed a petition before the Hon'ble High Court at Delhi, decision whereof is awaited on this date.

Notes on Financial Statements

Amount Rs. in lakhs

Pending decision of the Court, the accounting policy hitherto followed pertaining to the coal mines has been continued during the year. Consequently, amount incurred for the coal block till March 31, 2014 as well as those incurred thereafter during the year after setting off income, stocks etc. there against has been continued to be capitalized as capital work in progress and various balances under advances, fixed assets etc. has been continued to be so classified as per the details given below. Pending decision of Hon'ble High Court on the matter, amount recoverable as compensation are presently not ascertainable and consequential adjustments in this respect will be given effect to on ascertainment of the amounts thereof.

Claims pursuant to cancellation of Coal Block and handing over the same detailed in different heads of account includes the following :

Particulars	As at		As at	
	March 31, 2015		March 31, 2014	
Inventories		14,78.76		10,58.77
Short Term Loan and Advances		13,99.78		15,45.85
Capital Work-in-Progress :				
Plant and Equipment and others assets under Installation	3,34,93.90		3,25,89.75	
Mine Development including overburden removal expenses (Net) (Refer Note No : 2.33.d)	8,66,86.76	12,01,80.66	7,97,48.62	11,23,38.37
Other Fixed Assets		22,43.99		29,60.40
Capital Advance		3,31.92		10,60.61
Land		32,49.00		31,07.00
Total		12,88,84.11		12,20,71.00

2.33.b In terms of the Supreme Court Order as referred above, North Dhadhu Coal Block, allotted in joint venture with other companies, has also been cancelled w.e.f. September 24, 2014. The Company barring initial contribution of Rs.8,22.81 Lakhs has not made any further investments in the said joint venture company. In view of the management, the compensation to be received in terms of the ordinance is expected to cover the cost incurred by the Joint Venture Companies and thereby no diminution in value of investment is expected to arise and accordingly no provision has been considered necessary by the management.

2.33.c Capital work in progress includes plant and equipments and other assets amounting to Rs.4,01,68.80 lakhs (previous year Rs. 4,06,88.98 lakhs) under installation and capital and other expenditure incurred pending completion thereof.

2.33.d The expenses incurred for projects/assets during the construction/mine development period are classified as "Pre-operative Expenses" pending capitalization are included under capital work in progress and will be allocated to the assets on completion of the project/assets. Consequently expenses disclosed under the respective head are net of amount classified as preoperative expenses by the Company. The details of these expenses are as follows :

Particulars	As at		As at	
	March 31, 2015		March 31, 2014	
Balance brought forward		8,03,92.74		4,90,69.42
Add : Relating to earlier years		-		1,19,42.27
Contractual Expenses - raising, over burden removal etc.		86,83.65		81,64.12
Salaries and Wages		15,42.39		11,72.22
Contribution to Provident and Other Funds		59.75		47.43
Staff Welfare Expenses		51.68		55.40
Stores and Spares Consumption		14,80.01		19,36.18
Handling and Transportation		51.39		58.70
Power and Fuel		29,90.00		41,37.09
Repairs to Machinery		-		0.31
Repairs others		24.35		32.36
Rent		20.54		26.95
Insurance		61.20		70.58
Miscellaneous Expenses		25,18.19		15,67.90
Royalty on Coal, Clean energy cess and Stowing duty		9,02.72		8,03.12
Interest Paid		54,12.05		61,22.93
Finance charges		1,13.64		2,76.35
Depreciation and amortisation expense (Refer note no. 2.11.3)		7,38.89		8,67.49
Excise duty on Coal Stock		-4,75.94		4,06.56
Loss on exchange fluctuation		47,17.05		1,12,29.86

Notes on Financial Statements

Amount Rs. in lakhs

Particulars	As at	
	March 31, 2015	March 31, 2014
Excess provision written back	-4,05.32	-
Mark to market loss on derivatives	-	4,84.38
Provision for Mine Closure and restoration expenses	93.64	3,67.58
Total preoperative/development expenses	10,89,72.62	9,88,39.20
Less :		
Allocated/Transferred during the year to completed assets	61.01	22.20
Sale of Coal to associate [557625.04 MT (previous year 43206.94 MT)]	2,43,33.82	16,50.66
Sale of inferior grade coal [nil. (previous year 15995.74 MT)]	-	2,69.94
Less : Excise Duty	14,01.41	1,07.45
Less : Royalty, clean energy cess, stowing duty and vat	32,21.04	2,22.67
Net Sales	1,97,11.37	15,90.48
Coal transferred for Captive Consumption [184856.44 MT, (Previous Year 150184.60 MT)]	95,24.15	77,76.93
Other Income	26.19	6.66
Increase/(Decrease) in stock of Coal		
Opening Stock 389925 MT. (Previous Year 121758 MT)	1,02,77.32	25,71.26
Less : Closing Stock 64502 MT (Previous Year 389925 MT)	14,44.74	-88,32.58
Interest on deposit [net of provision of for current tax Rs.4,17.14 lakhs (previous year Rs. 6,92.12 lakhs)]	8,10.11	13,44.13
Total preoperative and development expenses carried forward pending allocation	8,76,72.37	8,03,92.74

2.33.e Liability on account of additional levy of Rs.295 per MT arising in terms of the said Ordinance against the coal extracted from the mining operation aggregating to Rs.35,45.36 lakhs of which Rs.13,13.11 lakhs has been charged out and included in the coal consumption.

2.34 (a) Category wise outstanding derivatives contracts entered for hedging as on March 31, 2015 are as follows :

Sl. No.	Category	Currency	2014-15		2013-14	
			No. of Deals	Amount in Foreign Currency	No. of Deals	Amount in Foreign Currency
1	Sell Forward	USD/INR	29	3,37,42,628	34	2,04,64,178
2	Sell Forward	GBP/USD	4	19,66,773	7	39,85,368
3	Sell Forward	EURO/USD	18	1,75,82,413	19	1,16,76,170
4	Sell Forward	EURO/INR	18	2,00,00,000	5	50,76,529
5	Sell Forward	USD/EURO	2	23,84,000	1	6,84,250
6	Buy Forward	USD/INR	13	2,30,96,183	15	1,73,30,265
7	Option (FWDS)	USD	-	0	6	1,63,21,600
8	Option (ECB)	USD	2	60,00,000	3	1,13,60,000
9	Interest Rate Swap	USD	16	8,33,50,000	19	9,83,90,000
10	Interest Rate Cap	USD	4	1,66,80,000	4	1,83,30,000

Notes on Financial Statements

Amount Rs. in lakhs

2.34 (b) Unhedged Foreign Currency with respect of reporting Currency exposures as on March 31, 2015 are as follows: -

Nature	Currency	2014-15	2013-14
		Amount in Foreign Currency	Amount in Foreign Currency
Payables			
ECB Payable (include accrued interest)	USD	15,17,04,075	17,27,51,907
Buyer's Credit /Acceptances (include accrued interest)	USD	3,14,68,716	4,11,05,915
Buyer's Credit	EURO	-	8,20,605
FCNR	USD	40,00,000	41,48,230
Imports	USD	36,90,607	1,49,92,858
Imports	EURO	6,11,045	5,27,452
Imports	GBP	7,576	9,871
Imports	AED	94,400	94,400
Imports	HKD	29,472	54,388
Imports	BHD	2,31,332	3,57,753
Imports	AUD	1,875	18,004
Imports	TRY	1,61,492	-
Receivable			
Exports	GBP	29,06,569	13,70,549
Exports	SGD	35,06,611	39,37,570
Others	BHD	5,07,059	18,42,426
Others	TRY	3,23,159	-
Others	GBP	1,23,451	-
Others	SGD	4,226	-
Others	BHD	1,87,437	-

2.35 As regards construction contracts in progress as on 31.03.2015, aggregate amount of costs incurred and recognized profit (less recognized losses) up to the year end (to the extent ascertained by the management, aggregate amount of advances received and aggregate amount of retentions are Rs.19,96.19 lakhs, Rs.15,17.41 lakhs and Rs.82.78 lakhs respectively. (Previous year Rs.72,45.48 lakhs, Rs.4,35.91 lakhs and Rs.6,18.23 lakhs respectively).

		As at 31.03.2015		As at 31.03.2014	
		in million	Rs. in lakhs	in million	Rs. in lakhs
2.36	(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) :	5,35.54		4,39.24	
2.36	(b) Other commitments				
	i) Forward contract outstanding				
	In USD	59.22	3,70,11.29	38.48	2,30,52.58
	In Euro	37.58	2,52,01.64	16.75	1,38,02.25
	In GBP	1.97	18,21.09	3.99	39,72.07
	ii) Capital Commitment towards subscription to equity capital in				
	Electrosteel Spain SA		23.47		28.84
	Electrosteel Brasil Ltda. Tubos E Conexoes Duteis		28.50		35.01

Notes on Financial Statements

Amount Rs. in lakhs

2.37 Contingent Liabilities not provided for in respect of:

	As at 31.03.2015	As at 31.03.2014
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:		
i) Sales Tax	75,21.84	75,48.52
ii) Excise, Custom Duty and Service tax [net of provision of Rs.5,00.00 lakhs (previous year Rs.5,00.00 lakhs)]	1,34,41.52	1,34,00.78
iii) Income Tax	1,14.48	28.45
b) Employees State Insurance Corporation has raised demand for contribution in respect of Gross Job Charges for the year 2001-02, 2003-04 and March'08 to January'10. In the opinion of the management demand is adhoc and arbitrary and is not sustainable legally.	92.51	92.51
c) Demand of Tamilnadu Electricity Board disputed by the Company.	8.20	8.20
d) During the year 1994 UPSEB had raised demand for electricity charges by revising the power tariff schedule applicable to the Company retrospectively from Feb'86. In the opinion of the management the revised power tariff is not applicable to the Company and accordingly the Company disputed the demand and the matter is pending before Hon'ble High Court at Allahabad.	2,61.74	2,61.74
e) Corporate guarantee issued to banks by the Company on behalf of :		
(i) Subsidiary Companies	74,71.77	1,09,07.91
(ii) Others	21,61.17	-
f) Standby Letter of Credit issued by banks on behalf of the Company in favour of		
(i) Subsidiary Companies	1,16,38.81	2,04,13.61
g) Guarantees given by banks on behalf of the Company	89,61.87	1,50,88.70
h) Bills Discounted with Banks.	69,69.41	67,47.88
i) The Company has disputed downward revision in the prices affected by the purchaser subsequent to sale of certain specified materials. In the opinion of the management and also on the merit of the case, as advised legally no liability is likely to arise. The matter is subjudice and pending final judgement the amount payable, if any is not ascertainable presently.		

Note: Future cash outflows, if any, in respect of (a) to (d), and (i) above is dependent upon the outcome of judgments / decisions.

Notes on Financial Statements

2.38 Related party disclosure as identified by the management in accordance with the Accounting Standard (AS) 18 on “Related Party Disclosures” are as follows :

A) Names of related parties and description of relationship

- | | |
|---|--|
| 1) Subsidiary Company | Electrosteel Europe SA
Electrosteel Algeria SPA
Electrosteel Castings (UK) Limited
Electrosteel USA LLC
WaterFab, LLC (100% subsidiary of Electrosteel USA, LLC)
Mahadev Vyapaar Private Limited
Electrosteel Trading S.A, Spain
Singardo International Pte Limited
(Ceased to be subsidiary w.e.f 01.10.2014)
Electrosteel Castings Gulf Fze
Electrosteel Doha for Trading (LLC)
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis
Electrosteel Bahrain Holding SPC Company |
| 2) Associate Company | Srikalahasthi Pipes Limited (Formerly, Lanco Industries Limited)
Electrosteel Steels Limited
Electrosteel Thermal Power Limited
Singardo International Pte Limited (From 1.10.2014 till 31.12.2014) |
| 3) Joint Venture | North Dhadhu Mining Company Private Limited
Domco Private Limited |
| 4) Key Managerial Personnel (KMP) and their relative | Mr. Umang Kejriwal - Managing Director
Mr. Mayank Kejriwal - Joint Managing Director
Mr. Uddhav Kejriwal - Wholetime Director
Mr. Vyas Mitre Ralli - Wholetime Director
Mr. Mahendra Kumar Jalan - Wholetime Director
Ms. Uma Kejriwal - Mother of Mr. Umang Kejriwal - Managing Director (MD) and Mr. Mayank Kejriwal - Joint Managing Director
Umang Kejriwal (H.U.F)
Ms. Priya Manjari Todi - Daughter of Mr. Mayank Kejriwal - KMP/
Sister of Mr. Uddhav Kejriwal - KMP
Mr. Anirudh Jalan - Son of Mr. Mahendra Kumar Jalan - KMP |
| 5) Enterprise where KMP/Relatives of KMP have significant influence or control | Gaushree Enterprises
Wilcox Merchants Private Limited
Tulsi Highrise Private Limited
Sri Gopal Investments Ventures Ltd.
Global Exports Ltd.
Ultimo Logistics Private Limited
Krsna Logistics Private Limited
Radhya Infrservices Private Limited
G K & Sons Private Limited
Electrosteel Thermal Coal Limited
Electrocast Sales India Limited
Akshay Ispat & Ferro Alloys Pvt. Ltd.
Badrinath Industries Ltd.
Murari Investment & Trading Company Ltd. |

Notes on Financial Statements

B) Related Party Transaction

Amount Rs. in lakhs

	Subsidiary	Associate	Joint Venture	KMP & Relatives	KMP have control	Total	Outstanding as on 31.03.15	Outstanding as on 31.03.14
Sale								
Electrosteel Europe SA	3,16,81.08	-	-	-	-	3,16,81.08	1,40,32.25	-
Electrosteel Castings (UK) Ltd	76,66.69	-	-	-	-	76,66.69	45,36.36	-
Electrosteel USA, LLC	37,70.25	-	-	-	-	37,70.25	27,56.52	-
Electrosteel Castings Gulf FZE	7,42.13	-	-	-	-	7,42.13	5,81.03	-
Singardo International Pte Ltd. *	23,03.87	8,80.73	-	-	-	31,84.60	-	-
Electrosteel Steels Limited	-	4,36,88.44	-	-	-	4,36,88.44	48,12.72	-
Srikalahasthi Pipes Limited	-	8,50.99	-	-	-	8,50.99	-	-
Total	4,61,64.02	4,54,20.16	-	-	-	-9,15,84.18	2,67,18.88	-
Previous Year								
Electrosteel Europe SA	3,33,11.31	-	-	-	-	3,33,11.31	-	1,77,44.99
Electrosteel Castings (UK) Limited	78,01.14	-	-	-	-	78,01.14	-	55,88.57
Electrosteel USA, LLC	14,95.77	-	-	-	-	14,95.77	-	14,05.96
Electrosteel Castings Gulf FZE	54.63	-	-	-	-	54.63	-	53.49
Singardo International Pte Ltd. *	33,73.92	-	-	-	-	33,73.92	-	18,75.35
Electrosteel Steels Limited	-	1,35,27.63	-	-	-	1,35,27.63	-	34,18.50
Srikalahasthi Pipes Limited	-	30,77.27	-	-	-	30,77.27	-	-
Electrosteel Algeria SPA	10,68.59	-	-	-	-	10,68.59	-	5,97.29
Akshay Ispat & Ferro Alloys Pvt. Ltd.	-	-	-	-	-	-	-	4.61
Purchase								
Srikalahasthi Pipes Limited	-	1,02,62.51	-	-	-	1,02,62.51	36,33.93	-
Electrosteel Steels Limited	-	55,66.01	-	-	-	55,66.01	5,41.64	-
Gaushree Enterprises	-	-	-	-	0.32	0.32	-	-
Electrosteel Europe SA	3.67	-	-	-	-	3.67	13.77	-
Total	3.67	1,58,28.52	-	-	0.32	1,58,32.51	41,89.34	-
Previous Year								
Srikalahasthi Pipes Limited	-	60,51.38	-	-	-	60,51.38	-	6,20.52
Electrosteel Steels Limited	-	12,42.29	-	-	-	12,42.29	-	18,90.97
Electrosteel Europe SA	12.40	-	-	-	-	12.40	-	12.40
Job Charges Received								
Electrosteel Steels Limited	-	3,36.50	-	-	-	3,36.50	38.05	-
Total	-	3,36.50	-	-	-	3,36.50	38.05	-
Previous Year								
Electrosteel Steels Limited	-	2,12.14	-	-	-	2,12.14	-	-
Job Charges Paid								
Electrosteel Steels Limited	-	7,51.73	-	-	-	7,51.73	-	-
Total	-	7,51.73	-	-	-	7,51.73	-	-
Previous Year								
Electrosteel Steels Limited	-	12,13.47	-	-	-	12,13.47	-	-
Remuneration								
Mr. Umang Kejriwal	-	-	-	3,08.62	-	3,08.62	1,20.00	-
Mr. Mayank Kejriwal	-	-	-	80.83	-	80.83	-	-
Mr. Uddhav Kejriwal	-	-	-	2,09.14	-	2,09.14	85.00	-
Mr. Vyas Mitre Ralli	-	-	-	1,34.15	-	1,34.15	-	-
Mr. Mahendra Kumar Jalan	-	-	-	1,35.96	-	1,35.96	-	-
Ms. Priya Manjari Todi	-	-	-	5.62	-	5.62	-	-
Total	-	-	-	8,74.32	-	8,74.32	2,05.00	-
Previous Year								
Mr. Umang Kejriwal	-	-	-	1,77.93	-	1,77.93	-	63.50
Mr. Mayank Kejriwal	-	-	-	1,78.86	-	1,78.86	-	67.84
Mr. Uddhav Kejriwal	-	-	-	1,85.17	-	1,85.17	-	51.74
Mr. Vyas Mitre Ralli	-	-	-	1,27.04	-	1,27.04	-	3.35
Mr. Mahendra Kumar Jalan	-	-	-	1,30.37	-	1,30.37	-	9.32
Mr. Rama Shankar Singh	-	-	-	1,09.27	-	1,09.27	-	-
Rent Paid								
Wilcox Merchants Pvt. Ltd.	-	-	-	-	44.66	44.66	-	-
Tulsi Highrise Private Limited	-	-	-	-	44.51	44.51	-	-
Sri Gopal Investment Ventures Ltd.	-	-	-	-	31.50	31.50	-	-
Mahadev Vyapar Private Limited	18.00	-	-	-	-	18.00	-	-
Global Exports Ltd.	-	-	-	-	15.00	15.00	-	-
Smt. Uma Kejriwal	-	-	-	8.78	-	8.78	-	-
Umang Kejriwal HUF	-	-	-	8.78	-	8.78	-	-

Notes on Financial Statements

B) Related Party Transaction

Amount Rs. in lakhs

	Subsidiary	Associate	Joint Venture	KMP & Relatives	KMP have control	Total	Outstanding as on 31.03.15	Outstanding as on 31.03.14
North Dhadhu Mining Company Pvt Ltd.	-	-	0.60	-	-	0.60	-	-
Badrinath Industries Ltd.	-	-	-	-	18.75	18.75	-	-
Total	18.00	-	0.60	17.56	1,54.42	1,90.58	-	-
Previous Year								
Global Exports Ltd.	-	-	-	-	15.00	15.00	-	-
Badrinath Industries Ltd.	-	-	-	-	15.00	15.00	-	-
Mahadev Vyapar Private Limited	18.00	-	-	-	-	18.00	-	-
Others	-	-	-	-	86.49	86.49	-	-
Service Charges Paid								
Ultimo Logistics Pvt. Ltd.	-	-	-	-	11,06.59	11,06.59	-	-
Ksrna Logistics Private Limited	-	-	-	-	4,59.49	4,59.49	60.95	-
Radhya Infraservices Private Limited	-	-	-	-	1,14.39	1,14.39	-	-
Global Exports Ltd.	-	-	-	-	77.05	77.05	1.88	-
Anirudh jalan	-	-	-	1.80	-	1.80	-	-
Sri Gopal Investment Ventures Ltd.	-	-	-	-	1.06	1.06	-	-
Total	-	-	-	1.80	17,58.58	17,60.38	62.83	-
Previous Year								
Global Exports Ltd.	-	-	-	-	75.71	75.71	-	0.05
Service Charges Received								
Electrosteel Europe SA	31.29	-	-	-	-	31.29	31.29	-
Electrosteel Castings (UK) Ltd	12.51	-	-	-	-	12.51	12.51	-
Total	43.80	-	-	-	-	43.80	43.80	-
Loan Given								
Electrosteel Castings (UK) Ltd	27,92.70	-	-	-	-	27,92.70	-	-
Total	27,92.70	-	-	-	-	27,92.70	-	-
Previous Year								
Singardo International Pte Ltd. *	99.12	-	-	-	-	99.12	-	95.25
Loan Taken								
Electrosteel Castings Gulf FZE	-	-	-	-	-	-	1,10.60	-
Total	-	-	-	-	-	-	1,10.60	-
Previous Year								
Electrosteel Castings Gulf Fze	-	-	-	-	-	-	-	1,06.03
G. K. & Sons Private Limited	-	-	-	20,50.00	-	20,50.00	-	-
Reimbursements of expenses paid								
Electrosteel Europe SA	51.62	-	-	-	-	51.62	95.33	-
Electrosteel Steels Limited	-	0.12	-	-	-	0.12	0.12	-
Total	51.62	0.12	-	-	-	51.74	95.45	-
Previous Year								
Electrosteel USA, LLC	2,05.31	-	-	-	-	2,05.31	-	-
Electrosteel Europe SA	1,07.34	-	-	-	-	1,07.34	-	97.40
Singardo International Pte Ltd. *	8.29	-	-	-	-	8.29	-	-
Srikalahasthi Pipes Limited	-	1.22	-	-	-	1.22	-	-
Electrosteel Steels Limited	-	0.22	-	-	-	0.22	-	-
Reimbursements of expenses received								
Electrosteel Castings (UK) Ltd	1,97.47	-	-	-	-	1,97.47	1,01.80	-
Electrosteel Steels Limited	-	11,26.50	-	-	-	11,26.50	39.99	-
Electrosteel Europe SA	1,38.21	-	-	-	-	1,38.21	1,31.04	-
Srikalahasthi Pipes Limited	-	52.47	-	-	-	52.47	-	-
Electrosteel Castings Gulf FZE	-	-	-	-	-	-	14.26	-
Total	3,35.68	11,78.97	-	-	-	15,14.65	2,87.09	-
Previous Year								
Electrosteel Castings (UK) Limited	22.08	-	-	-	-	22.08	-	-
Electrosteel Europe SA	1,44.06	-	-	-	-	1,44.06	-	2,78.01
Electrosteel Castings Gulf Fze	-	-	-	-	-	-	-	13.67
Electrosteel Steels Limited	-	0.10	-	-	-	0.10	-	-
Srikalahasthi Pipes Limited	-	13.33	-	-	-	13.33	-	-
Share Application Money Paid								
Previous Year								
Electrosteel USA, LLC	2,97.05	-	-	-	-	2,97.05	-	-
Electrosteel Brasil Ltda ,Tubos e Conexoes Duteis	45.05	-	-	-	-	45.05	-	-
Corporate Guarantee, Standby Letter of Credit								
Electrosteel Europe SA	-	-	-	-	-	-	87,17.43	-

Notes on Financial Statements

B) Related Party Transaction

Amount Rs. in lakhs

	Subsidiary	Associate	Joint Venture	KMP & Relatives	KMP have control	Total	Outstanding as on 31.03.15	Outstanding as on 31.03.14
Electrosteel Algeria SPA	15,02.75	-	-	-	-	15,02.75	43,74.65	-
Electrosteel Castings (UK) Ltd	32,40.74	-	-	-	-	32,40.74	60,18.52	-
Singardo International Pte Ltd. *	12,34.60	-	-	-	-	12,34.60	21,61.17	-
Total	59,78.09	-	-	-	-	59,78.09	2,12,71.77	-
Previous Year								
Electrosteel Europe SA	94,05.08	-	-	-	-	94,05.08	-	1,07,10.47
Electrosteel Algeria SPA	-	-	-	-	-	-	-	1,19,82.00
Electrosteel Castings (UK) Limited	-	-	-	-	-	-	-	64,78.31
Singardo International Pte Ltd. *	12,36.20	-	-	-	-	12,36.20	-	21,50.74
Bank Guarantee								
Previous Year								
North Dhadhu Mining Company Pvt. Ltd.	-	-	-	-	-	-	-	27,45.47
Investment								
Electrosteel Steels Limited	-	2,22,50.00	-	-	-	2,22,50.00	-	-
Electrosteel Algeria SPA	3,94.08	-	-	-	-	3,94.08	-	-
Electrosteel Bahrain Holding SPC Company	4,14.83	-	-	-	-	4,14.83	-	-
Total	8,08.91	2,22,50.00	-	-	-	2,30,58.91	-	-
Previous Year								
Electrosteel USA, LLC	2,97.05	-	-	-	-	2,97.05	-	-
Electrosteel Brasil Ltda Tubos e conexoes duteis	45.05	-	-	-	-	45.05	-	-
Commission								
Electrosteel Doha for Trading LLC	3,74.64	-	-	-	-	3,74.64	2,24.79	-
Electrosteel Algeria SPA	1,42.24	-	-	-	-	1,42.24	49.53	-
Electrosteel Europe SA	1,69.62	-	-	-	-	1,69.62	1,44.48	-
Electrosteel Castings (UK) Ltd	24.13	-	-	-	-	24.13	-	-
Electrosteel Castings Gulf Fze	64.08	-	-	-	-	64.08	65.50	-
Total	7,74.71	-	-	-	-	7,74.71	4,84.30	-
Previous Year								
Electrosteel Europe SA	71.75	-	-	-	-	71.75	-	62.82
Electrosteel Algeria SPA	5,63.36	-	-	-	-	5,63.36	-	99.79
Electrosteel Doha for Trading Company (LLC)	3,26.56	-	-	-	-	3,26.56	-	1,01.70
Electrosteel Castings Gulf Fze	74.55	-	-	-	-	74.55	-	1.29
Security Deposits								
Sri Gopal Investment Ventures Ltd.	-	-	-	-	-	-	18.00	-
Electrosteel Thermal Coal Ltd.	-	-	-	-	-	-	1,85.00	-
Total	-	-	-	-	-	-	2,03.00	-
Previous Year								
Srikalahasthi Pipes Limited	-	-	-	-	-	-	-	36,32.62
Electrosteel Thermal Coal Ltd.	-	-	-	-	-	-	-	1,85.00
Sri Gopal Investment Ventures Ltd.	-	-	-	-	-	-	-	18.00
Dividend Received								
Srikalahasthi Pipes Limited	-	2,89.52	-	-	-	2,89.52	-	-
Total	-	2,89.52	-	-	-	2,89.52	-	-
Rent Receipts								
G K & Sons Private Limited	-	-	-	-	3.60	3.60	1.01	-
Srikalahasthi Pipes Limited	-	0.36	-	-	-	0.36	-	-
Electrosteel Steels Limited	-	0.60	-	-	-	0.60	0.05	-
Electrocast Sales India Ltd..	-	-	-	-	3.60	3.60	1.35	-
Total	-	0.96	-	-	7.20	8.16	2.41	-
Previous Year								
Electrosteel Steels Limited	-	0.39	-	-	-	0.39	-	-
G. K. & Sons Private Limited	-	-	-	-	3.60	3.60	-	-
Electrocast Sales India Ltd..	-	-	-	-	3.60	3.60	-	-
Srikalahasthi Pipes Limited	-	3.36	-	-	-	3.36	-	-
Advances Given								
Ultimo Logistics Pvt. Ltd.	-	-	-	-	-	-	23.96	-
Electrosteel Steels Limited	-	2,24,00.00	-	-	-	2,24,00.00	2,63,73.82	-
Mahadev Vyapar Private Limited	-	-	-	-	-	-	4,30.12	-
Electrosteel Thermal Power Limited	-	-	-	-	-	-	5.27	-
Electrosteel Thermal Coal Limited	-	-	-	-	-	-	1.00	-

Notes on Financial Statements

B) Related Party Transaction

Amount Rs. in lakhs

	Subsidiary	Associate	Joint Venture	KMP & Relatives	KMP have control	Total	Outstanding as on 31.03.15	Outstanding as on 31.03.14
Krsna Logistics Private Limited	-	-	-	-	-	55.00	55.00	-
Total	-	2,24,00.00	-	-	-	55.00	2,24,55.00	2,68,34.17
Previous Year								
Electrosteel Steels Limited	-	3,18,38.82	-	-	-	3,18,38.82	-	3,11,23.82
Mahadev Vyapar Private Limited	0.95	-	-	-	-	0.95	-	4,45.39
Electrosteel Thermal Coal Limited	-	-	-	-	-	-	-	1.00
Electrosteel Thermal Power Limited	-	-	-	-	-	-	-	5.27
Interest Received								
Singardo International Pte Ltd. *	6.09	-	-	-	-	6.09	-	-
Electrosteel Castings (UK) Ltd	6.48	-	-	-	-	6.48	-	-
Total	12.57	-	-	-	-	12.57	-	-
Previous Year								
Singardo International Pte Ltd. *	4.98	-	-	-	-	4.98	-	4.23
Interest Paid								
Previous Year								
G.K.&Sons Pvt Ltd	-	-	-	-	-	27.04	27.04	-
Employee Welfare Expenses								
Gaushree Enterprises	-	-	-	-	-	8.05	8.05	2.62
Total	-	-	-	-	-	8.05	8.05	2.62
Equity Share contribution								
G.K. & Sons Pvt Ltd	-	-	-	-	-	12,50.08	12,50.08	-
Electrocast Sales India Limited	-	-	-	-	-	12,50.08	12,50.08	-
Total	-	-	-	-	-	25,00.16	25,00.16	-
Previous Year								
G K & Sons Private Limited	-	-	-	-	-	8,86.29	8,86.29	-
Electrocast Sales India Limited	-	-	-	-	-	8,86.29	8,86.29	-

2.38.1 Details of Loans, Investments and Guarantees covered U/S 186 (4) of the Companies Act, 2013 :

1. Details of Loans and Investments are given under the respective heads. (Refer note no 2.12.6, 2.13.3 & 2.19.2)
2. Details of Corporate Guarantees / Stand by Letter of Credit given by the Company are as follows :

Amount Rs. in Lakhs

Name of the Company	Date of Undertaking	Purpose	As at March 31, 2015	As at March 31, 2014
Electrosteel Europe SA	11-Sep-12	Working capital facility	13,41.15	16,47.76
	07-Jun-13	Working capital facility	6,70.57	8,23.89
	28-Feb-14	Short Term Loan Facility	20,11.71	24,71.65
Electrosteel Algeria SPA	02-Sep-13	Factoring Facility	46,94.00	57,67.17
	26-May-10	Working capital facility	43,74.65	65,90.10
	16-Dec-10	Working capital facility	-	29,95.50
Electrosteel Castings (UK) Ltd	24-Jan-12	Working capital facility	-	23,96.40
	31-Mar-15	Short Term Loan Facility	32,40.74	-
	27-Feb-13	Factoring Facility	27,77.78	29,89.99
Singardo International Pte Ltd. *	26-Oct-10	Short Term Loan Facility	-	34,88.32
	26-Mar-07	Working capital facility	9,11.27	9,52.54
	12-Dec-13	Working capital facility	12,49.90	11,98.20
North Dhadhu Mining Company Pvt Ltd	30-Mar-09	Bank Guarantee	-	27,45.47

* Ceased to be subsidiary / associate during the year.

Notes on Financial Statements

Amount Rs. in lakhs

2.39 The company operates mainly in one business segment viz Pipes being primary segment and all other activities revolve around the main activity. The secondary segment is geographical, information related to which is given as under :

Particulars	2014-15			2013-14		
	Within India	Outside India	Total	Within India	Outside India	Total
Sales (gross)	13,83,29.21	7,53,45.94	21,36,75.15	11,54,12.39	9,89,21.10	21,43,33.49
Trade receivables and other assets	51,45,65.98	3,16,18.75	54,61,84.73	50,31,58.89	3,76,39.71	54,07,98.60

2.40 C.I.F. value of imports

	2014-15	2013-14
(a) Raw Materials	2,99,97.61	4,30,91.90
(b) Spare Parts & Components	38,15.53	23,18.15
(c) Capital Goods	16,89.99	16,65.71

2.41 Expenditure in Foreign Currency

Amount Rs. in lakhs

	2014-15	2013-14
(a) Travelling Expenses	1,19.26	91.72
(b) Journals & Periodicals	6.95	3.27
(c) Technical/Consultancy Fees	3,07.53	2,82.51
(d) Interest Paid	51,47.20	62,72.39
(e) Commission	14,66.30	22,41.23
(f) Ocean Freight	57,19.53	61,29.16
(g) Others	14,12.99	20,83.67
(h) Payment of Dividend for F Y 2013 - 2014 (previous year F Y 2012 -2013) on Equity Shares in foreign currency		
- No. of Non-Resident holders	2	2
- No. of shares held	2,74,80,414	2,74,80,414
- Dividend	178.62	137.40

2.42 Value of Imported & Indigenous Raw materials, Spare Parts Consumed

Raw Material	2014-15		2013-14	
	Amount Rs. in lakhs	%	Amount Rs. in lakhs	%
Imported	2,55,42.06	25%	3,04,67.64	32%
Indigenous	7,81,84.76	75%	6,42,64.38	68%
	10,37,26.82	100%	9,47,32.02	100%
Spare parts				
Imported	42,52.26	31%	31,73.23	24%
Indigenous	96,01.85	69%	98,44.39	76%
	1,38,54.11	100%	1,30,17.62	100%

Notes on Financial Statements

2.43 Earnings in Foreign Exchange

Amount Rs. in lakhs

	2014-15	2013-14
(a) FOB Value of Exports	6,87,97.91	9,09,06.58
(b) Others	9,38.93	11,59.87

2.44 The company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items as per Accounting Standard 11, "The Effects of Changes in Foreign Exchange Rates". During the year ended 31st March 2015 the net exchange difference of Rs. 4290.69 lakhs (net debit)(previous year Rs.12326.02 lakhs) on foreign currency loans have been adjusted in the carrying amount of fixed assets / Capital work in progress. The unamortised balance is Rs. 21854.69 lakhs (previous year Rs.17769.41 lakhs).

2.45 The Board of Directors of the Company has approved the Scheme of Amalgamation (Scheme) of its wholly owned subsidiary, Mahadev Vyapaar Private Limited with the Company with effect from April 1, 2014. No effect of the Scheme has been given in the Financial Statements pending receipt of necessary approvals.

2.46 Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date.

For Lodha & Co.
Chartered Accountants

R. P. Singh
Partner

Kolkata
May 12, 2015

For and on behalf of the Board

Pradip Kumar Khaitan
Chairman
(DIN : 0004821)

Gautam Jhunjhunwala
Chief Financial Officer

Umang Kejriwal
Managing Director
(DIN : 00065173)

Prem Kumar Bafana
Company Secretary,
Legal & Accounts

Form AOC 1

(Pursuant to first proviso to sub-section(3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies /Joint Ventures of Electrosteel Castings Limited as on 31st March 2015

PART 'A' : Subsidiaries

Sl. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in case of the foreign subsidiaries		Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed dividend	% of share-holding
			Currency	Exchange Rate											
1	Electrosteel Algerte SPA*	01.01.2014 to 31.12.2014	DZD	0.64	1,878.57	(1,391.68)	3,306.70	2,819.81	-	1,486.55	164.30	-	164.30	-	100%
2	Electrosteel Castings (UK) Limited	N.A.	GBP	92.59	1,018.52	(225.36)	11,304.53	10,511.37	-	14,766.82	381.94	52.97	328.97	-	100%
3	Electrosteel Europe S.A.	N.A.	EURO	67.06	2,548.17	1,877.38	29,457.03	25,031.48	0.38	39,219.87	737.09	276.84	460.25	-	100%
4	Electrosteel USA, LLC#	N.A.	USD	62.50	1,874.85	(989.41)	3,873.93	2,988.49	-	4,911.58	(33.56)	-	(33.56)	-	100%
5	Electrosteel Trading S.A. Spain	N.A.	EURO	67.06	43.59	22.19	1,560.35	1,494.57	-	1,874.82	29.01	8.24	20.77	-	100%
6	Electrosteel Doha for Trading LLC	N.A.	QAR	17.16	34.33	219.63	363.17	109.21	-	-	165.90	14.67	151.23	-	49%
7	Electrosteel Castings Gulf Fze	N.A.	AED	17.02	170.16	154.34	917.31	592.81	-	263.92	67.49	-	67.49	-	100%
8	Electrosteel Brasil LTDA.	N.A.	BRL	19.56	29.34	(52.86)	10.77	34.29	-	-	(49.98)	-	(49.98)	-	100%
9	Tubos e Conexoes Dutris	N.A.	INR	-	1.00	(13.49)	417.92	430.41	-	18.00	6.67	-	6.67	-	100%
10	Mahadev Vyapaar Private Limited S.P.C. Company ##	N.A.	BHD	165.76	414.41	-	414.41	-	-	-	-	-	-	-	100%

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2015.
- 2.* The financial year of the company ends on 31 December. However, the results given are as of 31 March, 2015.
- 3.# Includes information of its wholly owned subsidiary WaterFab LLC.
- 4.## The Company have received Commercial Registration Certificate on 17 March 2015. The operations of the company have not started till 31 March 2015.

PART 'B' : Associates and Joint Ventures
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to
Associate Companies and Joint Ventures

Sl. No.	Name of the Associates / Joint Ventures	Latest Audited Balance Sheet Date	No. of Shares held by the Company as on 31.03.2015	Amount of investment (Rs in lakhs.)	Extent of holding%	Description of how there is significant influence	Reason why the associate/joint Venture is not consolidated	Net Worth attributable to shareholding as per latest audited Balance Sheet (Rs in lakhs.)	Profit / Loss for the year	
									Considered in consolidation (Rs in lakhs.)	Not considered in consolidation (Rs in lakhs.)
1	Srikalahashi Pipes Limited (Formerly, Lanco Industries Limited)	31.03.2015	19,301,218	6,333.53	48.54%	Extent of holding more than 20%	N.A	19,401.18	3,920.95	-
2	Electrosteel Steels Limited	31.03.2015	1,089,800,000	111,077.64	45.23%	Extent of holding more than 20%	N.A	56,463.67	(27,175.63)	-
3	Electrosteel Thermal Power Limited	31.03.2015	15,000	1.50	30.00%	Extent of holding more than 20%	N.A	1.11	(0.09)	-
4	Domco Private Limited	31.03.2015	30,000	30.00	50.00%	Extent of holding more than 20%	Ref Note No.2.12.3	-	-	-
5	North Dhadhu Mining Company Private Limited	31.03.2015	8,228,053	822.81	48.98%	Extent of holding more than 20%	N.A	826.63	1.69	-

For and on behalf of the Board

Pradip Kumar Khaitan
Chairman
(DIN : 00004821)

Umang Kejriwal
Managing Director
(DIN : 00065173)

Gautam Jhunjhunwala
Chief Financial Officer

Prem Kumar Bafana
Company Secretary, Legal & Accounts

Kolkata
May 12, 2015

Independent Auditors' Report

To the Members of Electrosteel Castings Limited

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of Electrosteel Castings Limited ("hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other notes for the year ended on that date (hereinafter referred to as "the Consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly Controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor's in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

Attention is drawn to the following notes to the financial statement:

- a) Note No.2.33.a of the financial statements dealing with cancellation of coal block allotted to Holding company and accounting being followed in this respect and resultant amount of the claim for compensation and consequential adjustments thereof presently not being ascertained and given effect to, pending decision of the court on the matter.
- b) Note No. 2.33.b regarding non-provision of diminution if any, pending determination of the claim for compensation against North Dhadhu Coal block.
- c) Impact with respect to (a) and (b) are presently not ascertainable and as such cannot be commented upon by us.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion

Consolidated Independent Auditors' Report (Contd.)

paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2015, its associates and jointly controlled entities as at 31st March 2015, and their consolidated Loss and their consolidated Cash Flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of Rs. 53,070.40 Lakhs as at 31st March 2015, total revenue of Rs. 74,909.70 Lakhs and Net cash flows amounting to Rs. (455.18) Lakhs for the year ended as on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 23,223.84 Lakhs for the year ended 31st March 2015, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. The aforesaid financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
- b) We did not audit the financial statements of three subsidiary companies, and one jointly controlled entity whose financial statements reflect total assets of Rs. 1,252.45 Lakhs as at 31st March 2015, total revenue of Rs. 3,832.44 Lakhs and Net cash flows amounting to Rs. 351.74 Lakhs for the year ended as on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 30.87 Lakhs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. The aforesaid financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries

is based solely on the unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statement certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of accounts, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and the report of the other auditors;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) Except for the possible effects of the matter described in the Basis For Qualified Opinion paragraph, In our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and loss and Consolidated Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act , read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) The matter described in the Basis for Qualified opinion paragraph above, in the event of being decided unfavorably, in our opinion, may have an adverse effect on the functioning of the Holding Company.

Consolidated Independent Auditors' Report *(Contd.)*

- f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditors of its subsidiary companies and associate companies, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. Except for the matters dealt with in the basis for Qualified Opinion paragraph impact whereof are presently not ascertainable, impact of pending litigations (Other than those already recognised in the consolidated financial statements) on the consolidated financial position of the Group, its associates and jointly controlled entities have been disclosed in the consolidated financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013;
- ii. The Group, its associates and jointly controlled entities has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 2.10 to the financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.: 301051E

R.P. Singh
Partner

Place : Kolkata
Date : 12th May 2015

Membership No.: 52438

Annexure to the Auditor's Report of even date :

- i) a. The Group has maintained proper records showing full particulars, including quantitative details and situations of fixed assets except in case of furniture and fixture.
- b. During the year, fixed assets have been physically verified by the management according to a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Group and the nature of its assets. As informed, no material discrepancies were noticed on such verifications.
- ii) a. As informed, the inventories of the Group except for materials in transit and those lying with third parties have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable.
- b. In case of the Holding Company's inventory of raw materials comprises mostly of bulk materials such as coal, coke, iron ore, etc. requiring technical expertise for quantification, the Company has hired an independent agency for the physical verification of the stock of these materials. Considering the above, in our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Holding Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The Group has not granted any loans secured or unsecured to companies, firms or parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3 (iii) of the Order is not applicable to the Group.
- iv) In our opinion and having regard to the explanations given to us that certain purchases of inventories and fixed assets and sale of goods being of special nature where suitable alternative sources do not exist/ were not available for obtaining comparable quotations, the internal control system for the purchase of inventory and fixed assets and for the sale of goods and services is commensurate with the size of the Group and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v) The Group has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder.
- vi) We have broadly reviewed the books of account maintained by the Holding company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Holding Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii) a. According to the information and explanations given to us, during the year, the Group has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to it.
- b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and Cess, if any, as at 31st March, 2015, are as follows :

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act	Excise Duty	337.78	1996-2000 2004-2009	Tribunal
		8.30	2005-2006, 2008-2010	Commissioner (Appeals)
The Central Excise Act	Service Tax	1,721.95	2005-2012	Tribunal
		9.44	2008-2010	Commissioner (Appeals)

Consolidated Independent Auditors' Report (Contd.)

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax	3,160.84	1974-1978, 1985-1987, 1989-1993, 1997-1998, 1999-2000, 2004-2005, 2006-2010	West Bengal Appellate & Revisional Board (WBA&RB)
		32.15	2004-2005 2006-2007 2008-2010	Tribunal
		247.21	2002-2003	Special Commissioner
		14.98	2005-2006	Joint Commissioner
Sales Tax Act	Sales Tax	89.13	2009-2011 2012-2014	Deputy Commissioner (A)
		70.54	2013-2015	Commissioner
		3,863.75	2008-2009 2010-2012	Additional Commissioner
Income Tax Act, 1961	Income Tax	9.39	Assessment Year 2010-2011	Commissioner (Appeals)
		105.09	Assessment Year 2010-2011	Tribunal

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- viii) The Group does not have any accumulated losses as at the end of the financial year and the Group has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Group has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- x) The Holding Company has given guarantees for loans taken by others from banks and financial institutions. In our opinion and according to the information and explanations given to us, the terms and conditions of these guarantees are prima facie not prejudicial to the interest of the Group.
- xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than Rs.9516.64 Lakhs which have been temporarily invested in fixed deposits with banks (Refer Note No. 2.18.2 of the financial statements) pending utilization for the intended use.
- xii) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Group nor have we been informed of any such cases by the management.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.: 301051E

R.P. Singh
Partner
Membership No.: 52438

Place : Kolkata
Date : 12th May 2015

Consolidated Balance Sheet as at March 31, 2015

Particulars	Note No.	Amount Rs. in lakhs	
		As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	35,69.55	34,38.17
Reserves and Surplus	2.2	20,34,50.16	21,67,71.16
		20,70,19.71	22,02,09.33
Minority Interest		22.12	10,05.69
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	12,96,74.24	15,53,31.96
Deferred tax liabilities (Net)	2.4	30,19.37	34,01.20
Other Long term liabilities	2.5	82.71	5,10.08
Long-term provisions	2.6	12,98.62	15,05.60
		13,40,74.94	16,07,48.84
CURRENT LIABILITIES			
Short-term borrowings	2.7	9,02,89.31	8,26,24.07
Trade payables	2.8	2,91,38.96	3,89,58.05
Other current liabilities	2.9	5,33,61.02	3,64,21.03
Short-term provisions	2.10	78,63.57	56,61.95
		18,06,52.86	16,36,65.10
TOTAL		52,17,69.63	54,56,28.96
ASSETS			
NON-CURRENT ASSETS			
Goodwill		14,19.71	14,30.25
Fixed assets			
Tangible assets	2.11	11,36,38.60	11,64,48.28
Intangible assets	2.11	3,07.29	2,87.17
Capital work-in-progress	2.11	12,85,54.90	12,17,95.45
		24,25,00.79	23,85,30.90
Non-current investments	2.12	7,58,78.67	7,71,65.62
Long-term loans and advances	2.14	24,17.23	2,89,75.41
Other non-current assets	2.15	3,39.68	12,79.32
		32,25,56.08	34,73,81.50
CURRENT ASSETS			
Current investments	2.13	7,67.02	67,63.37
Inventories	2.16	6,88,95.61	7,59,17.31
Trade receivables	2.17	5,16,22.30	5,70,18.50
Cash and bank balances	2.18	2,45,27.67	2,67,21.85
Short-term loans and advances	2.19	4,00,11.61	2,09,58.64
Other current assets	2.20	1,33,89.34	1,08,67.79
		19,92,13.55	19,82,47.46
TOTAL		52,17,69.63	54,56,28.96
Summary of significant accounting policies	1		
Notes on consolidated financial statements	2.1-2.47		

The notes are an integral part of the consolidated financial statements

As per our report of even date.

For Lodha & Co.
Chartered Accountants

R. P. Singh
Partner

Kolkata
May 12, 2015

For and on behalf of the Board

Pradip Kumar Khaitan
Chairman
(DIN : 0004821)

Gautam Jhunjunwala
Chief Financial Officer

Umang Kejriwal
Managing Director
(DIN : 00065173)

Prem Kumar Bafana
Company Secretary,
Legal & Accounts

Consolidated Statement of Profit & Loss for the year ended March 31, 2015

Particulars	Note No.	Amount Rs. in lakhs	
		For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from operations	2.21	24,01,82.56	24,59,15.59
Other income	2.22	62,18.30	28,66.35
Total Revenue		24,64,00.86	24,87,81.94
Expenses			
Cost of materials consumed	2.23	10,37,26.82	9,47,32.02
Purchases of Stock-in-Trade	2.24	1,48,37.82	2,77,90.85
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.25	-1,27.74	-29,65.57
Employee benefits expense	2.26	2,15,38.70	2,02,52.85
Finance costs	2.27	1,56,56.66	1,50,46.29
Depreciation and amortization expense	2.28	70,61.09	56,36.34
Other expenses	2.29	6,93,56.24	7,63,31.97
Total expenses		23,20,49.59	23,68,24.75
Profit before tax		1,43,51.27	1,19,57.19
Tax expense :			
Current tax	2.30	27,78.23	37,81.05
Deferred tax	2.4	-54.99	25.95
Profit / (Loss) for the period		1,16,28.03	81,50.19
Add : Share of Profit/(loss) in Associates		-2,32,05.57	-96,61.54
Add/(Less) : Share of Unrealised Profit		-18.27	-5.32
Net Profit/(Loss) before Minority Interest		-1,15,95.81	-15,16.67
Minority Interest		-13.09	-76.71
Net Profit/(Loss) for the period		-1,16,08.90	-15,93.38
Earnings per equity share :			
Equity share of par value of Re 1/- each	2.32		
Basic		-3.27	-0.48
Diluted		-3.27	-0.48
Number of shares used in computing earning per share			
Basic		35,51,91,590	33,25,96,752
Diluted		35,51,91,590	33,25,96,752
Summary of significant accounting policies	1		
Notes on consolidated financial statements	2.1-2.47		

The notes are an integral part of the consolidated financial statements

As per our report of even date.

For Lodha & Co.
Chartered Accountants

R. P. Singh
Partner

Kolkata
May 12, 2015

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Pradip Kumar Khaitan
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Gautam Jhunjhunwala
Chief Financial Officer

Umang Kejriwal
Managing Director
(DIN : 00065173)

Prem Kumar Bafana
Company Secretary,
Legal & Accounts

Consolidated Cash Flow Statement for the year ended March 31, 2015

Amount Rs. in lakhs

	Year ended March 31 2015	Year ended March 31 2015	Year ended March 31 2014	Year ended March 31 2014
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Taxes		1,43,51.27		1,19,57.19
Add : Depreciation/Amortisation	70,61.09		56,36.34	
Bad Debts & Pipe rectification LD charges (net of provision)	47.54		6,03.69	
Pipe mould written off	2,80.03		2,35.84	
Provision for others	27.32		-13,07.60	
Provision for Doubtful debts	2,42.09		3,41.41	
Provision for losses on mark to market basis on derivative transactions	-		-96.28	
Prior period Expenses	-67.77		-	
Interest	1,56,56.66	2,32,46.96	1,50,46.29	2,04,59.69
		3,75,98.23		3,24,16.88
Less: Interest Received	4,78.38		7,14.72	
Income from Investments	6,13.79		9,32.40	
Foreign Exchange gain / (loss)	-5,20.78		3,55.83	
Provisions / Liabilities no longer required written back	3,37.22		2,51.99	
Profit/(Loss) on sale / discard of Fixed Assets (Net)	-1.33	9,07.28	-78.26	21,76.68
Operating Profit before Working Capital changes		3,66,90.95		3,02,40.20
Less: Increase/(Decrease) in Inventories	-70,03.43		1,05,47.98	
Increase/(Decrease) in Trade Receivables	-37,20.53		-3,19,58.23	
Increase/(Decrease) in Loans & Advances	-82,17.98		2,76,23.92	
(Increase)/Decrease in Trade Payables	1,00,33.20	-89,08.74	97,55.60	1,59,69.27
Cash generation From Operations		4,55,99.69		1,42,70.93
Less: Direct Taxes paid		12,68.70		33,53.27
Net cash flow from Operating activities		4,43,30.99		1,09,17.66
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets / movements in Capital work in progress	-1,38,60.56		-1,62,50.20	
Fixed Assets sold/discarded	43,12.89		64.76	
(Purchase)/Sale of Investment (net)	-3,76,04.33		55,44.60	
Investment in associate and joint venture	2,22,50.00		-55.00	
Interest Received	19,14.18		6,00.39	
Dividend received	7.47		59.00	
Other bank balance: deposits within 3 to 12 months maturity	13,83.66	-2,15,96.69	-76,11.16	-1,76,47.61
Net Cash flow from Investing activities		-2,15,96.69		-1,76,47.61
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of share capital	25,00.16		23,63.45	
Proceeds/(Repayments) from borrowings (net)	56,77.85		-1,50,34.50	
Proceeds / (Redemption / Repayment) of Debentures/Term Loan	-88,81.96		1,92,56.22	
	-7,03.95		65,85.17	
Interest Paid	-2,02,20.87		-1,34,17.13	
Dividend paid	-22,47.43		-16,42.64	
Tax on Dividend	-3,79.81	-2,35,52.06	-2,77.66	-87,52.26
Net cash flow from Financing activities		-2,35,52.06		-87,52.26
Cash and Cash equivalents (A+B+C)		-8,17.76		-1,54,82.21
Cash and Cash equivalents as at 1st April		1,22,51.67		2,77,54.42
Add / (Less) : Unrealised exchange gain / (loss) on Bank balances		7.24		-20.54
Cash and Cash equivalents as at 31st March (Refer note 2.18)		1,14,41.15		1,22,51.67

Note : 1) Cash and Cash equivalents represents cash in hand and deposits/balances with Banks
2) The Cash flow statement has been prepared under indirect method as per Accounting Standard 3 on Cash Flow Statemen

As per our report of even date.

For Lodha & Co.
Chartered AccountantsR. P. Singh
PartnerKolkata
May 12, 2015

For and on behalf of the Board

Pradip Kumar Khaitan
Chairman
(DIN : 0004821)Gautam Jhunjhunwala
Chief Financial OfficerUmang Kejriwal
Managing Director
(DIN : 00065173)Prem Kumar Bafana
Company Secretary,
Legal & Accounts

Notes on Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard (AS) - 21 on "Consolidated Financial Statements", AS - 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" and AS - 27 on "Financial Reporting of Interest in Joint Ventures" notified vide Companies (Accounting Standards) Rules, 2006
- 1.2 The Consolidated Financial Statements relate to Electrosteel Castings Limited (the Company), its subsidiaries, joint ventures and associates (Group). The details are as given below :

Name of the subsidiaries	Country of Incorporation	Proportion of ownership interest
Electrosteel Europe S.A.	France	100%
Electrosteel Algeria SPA	Algeria	100%
Electrosteel Castings (UK) Limited	United Kingdom	100%
Electrosteel USA, LLC	USA	100%
WaterFab LLC (acquired 100% share capital through wholly owned subsidiary Electrosteel USA, LLC)	USA	
Electrosteel Trading S.A. Spain	Spain	100%
Mahadev Vyapaar Private Limited	India	100%
Singardo International Pte Limited	Singapore	*
Electrosteel Castings Gulf FZE	UAE	100%
Electrosteel Doha For Trading LLC	Qatar	49%
Electrosteel Brasil Ltda. Tubos e Conexoes		
Duteis	Brazil	100%
Electrosteel Bahrain Holding Company S.P.C	Bahrain	100%
*ceased to be subsidiary/associate		
Name of the Associate Companies	Country of Incorporation	Proportion of ownership interest
Srikalahasthi Pipes Limited (formerly Lanco Industries Limited)	India	48.54%
Electrosteel Steels Limited	India	45.23%
Electrosteel Thermal Power Limited	India	30.00%
Name of the Joint Venture Companies	Country of Incorporation	Proportion of ownership interest
Domco Private Limited	India	50.00%
North Dhadhu Mining Company Private Limited	India	48.98%

1.3 CONSOLIDATION PROCEDURE :

- The financial statements of the parent Company and its subsidiaries have been prepared based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the shareholders of the Company. The excess of loss over the minority interest in the equity is adjusted in majority interest.
- Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- In terms of AS - 11 on "The Effects of Changes in Foreign Exchange Rates", foreign subsidiaries of the Company are integral to the operations of the Company. Financial statements of these subsidiaries have been translated at following exchange rates :
 - Revenue and expenses : At the average exchange rates during the year.
 - Fixed Assets and Investment : At Average exchange rates in the year of purchase.
 - All other assets and liabilities : Closing rates prevailing at the year end.
 Any exchange difference arising on consolidation is recognised in the statement of profit and loss.
- Investments in Associates are accounted in accordance with AS-23 on "Accounting for Investments in Associates in Consolidated Financial Statements", under "equity method". Unrealised profit/loss are eliminated other than in respect of transactions pertaining to non depreciable assets.
- The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- The group's interest in the jointly controlled entity is accounted using proportionate consolidation.

Notes on Consolidated Financial Statements

1.4 Investments other than in subsidiaries, joint ventures and associates have been accounted as per AS- 13 on "Accounting for Investments."

1.5 OTHER SIGNIFICANT ACCOUNTING POLICIES :

1.5.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared under the historical cost convention except in respect of certain fixed assets which are stated at revalued amount in accordance with the provisions of the Companies Act, 1956 and accounting standards notified vide Companies (Accounting Standards) Rules, 2006. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

1.5.2 USE OF ESTIMATES

The preparation of consolidated financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of revenue and expenses during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

1.5.3 FIXED ASSETS, DEPRECIATION AND AMORTIZATION

1) Tangible Assets

(i) Gross Block :

Fixed Assets are stated at cost of acquisition and subsequent improvements thereto or at revalued amounts wherever such assets have been revalued. Cost of acquisition includes taxes, duties (net of cenvat availed), inward freight, pre-operative expenses, installation expenses and adjustment for exchange differences wherever applicable. For major projects, interest and other costs incurred on / related to the borrowings for finance fixed assets during construction period and pre-operative period, if appropriate, are capitalized. Expenditure on Blast Furnace/Coke Oven Battery Relining is capitalized.

(ii) Depreciation and Amortisation of Expenses :

[A] In case of the Company :

- (a) Depreciation on Fixed Assets, except otherwise stated, has been provided as per Schedule II of the Companies Act, 2013 on straight line method in respect of Plant and Equipment of Ductile Iron Foundry Works, Coal Mine, Mini Blast Furnace Plant, Captive Power Plant, Sponge Iron Plant, Coke Oven Plant and Sinter Plant and on written down value method on other assets. Certain Plant and Equipment have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of fixed assets is provided over the remaining useful life of the mother plant / fixed assets.
- (b) Assets costing Rs. Five Thousand or less are being depreciated fully in the year of addition/acquisition.
- (c) Pipe Moulds above 350 mm for Ductile Iron Foundry Works are depreciated over a period of 3 years. Pipe Moulds upto 350 mm are charged to consumption in the year of issue.
- (d) Blast Furnace and Coke Oven Battery relining are depreciated on straight line method over a period of 2 and 5 years respectively (average expected life) as per technical assessment. Wagons acquired under "Wagon Investment Scheme" are depreciated over a period of 10 years and Heavy Earth Moving Machinery used for coal mines are depreciated over a period of 5 years on straight line method. Railway siding constructed on government land is amortised over the period of ten years.
- (e) Leasehold land is amortised on straight line method over the period of the lease.
- (f) Machinery Spares which can be used only in connection with an item of Fixed Asset and whose use are expected to be irregular, are amortised over the useful life of the respective fixed assets and the amount amortised is included under stores and spares consumed.

[B] In case of the subsidiaries, depreciation is provided on straight line method on the basis of estimated useful life of the assets applying the depreciation rates ranging from 1.5% to 35% per annum. In case of Singardo International Pte. Ltd., and Electrosteel Castings (UK) Ltd. assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

(iii) Capital Work-in-progress includes preoperative expenses, equipment to be installed, Construction and Erection Materials etc.

(iv) Development Expenses including overburden removal expenses net of revenue of the Projects / Mines under development are debited to Development Account and grouped under Capital Work in progress till the projects/ mines are brought to Revenue Account. Except otherwise specially stated in the Project Report upon the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of construction, projects and mines under development are brought to revenue: (a) From beginning of the financial year immediately after the year in which the project achieves physical output of 50% of rated capacity as per approved project report, or (b) One year of touching of coal, or (c) From the beginning of the financial year in which the value of production is more than total expenses.

Notes on Consolidated Financial Statements

2) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Computer software packages are amortised on straight line method over a period of 5 years. Mining rights are amortised on straight line method over the available period of mining lease

1.5.4 INVESTMENTS

Non current investments are stated at cost less provision, if any, for diminution in value other than temporary. Current investments are carried at lower of cost or fair value, computed category wise.

1.5.5 INVENTORIES

- (i) Inventories are valued at lower of the cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.
- (ii) In case of subsidiaries
 - (a) Inventories of Electrosteel Algeria SPA are valued at weighted average price method.
 - (b) Inventories of USA is valued at lower of cost or market, with cost determined on the basis of the average cost of all similar item.
- (iii) Cost in respect of raw materials and stores and spares include expenses incidental to procurement of the same. Cost in respect of manufactured finished goods represents prime cost, and includes appropriate portion of overheads and excise duty wherever applicable. Cost in respect of purchased finished goods comprises of procurement cost and other expenses incurred in bringing such goods to the present location and condition.
- (iv) Cost in respect of process stock represents, cost incurred upto the stage of completion.
- (v) Cost in respect of Work-in-progress represents cost of materials remaining uncertified / incomplete under the Turnkey Contracts undertaken by the Company.

1.5.6 IMPAIRMENT

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, are allocated to its assets on a prorata basis.

1.5.7 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates. Non-monetary items other than fixed assets, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as revenue or expense and are adjusted in the statement of profit and loss except in respect of non current liabilities related to fixed asset/capital work in progress in which case, these are adjusted to the cost of respective fixed assets/capital work-in-progress.

Revenue / expenditure earned / incurred by the Overseas Office is translated at the respective month end rate during which such revenue / expenditure is so earned / incurred. Branch monetary assets and liabilities are restated at the year end rates.

Exchange differences arising with respect to forward contracts other than those entered into, to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are recognized in the period in which they arise and the difference between the forwards rate and exchange rate at the date of transaction is recognized as revenue / expense over the life of the contract.

In respect of mark to market losses on all other derivative contracts (other than forward contracts dealt as above) premium paid, gains / losses on settlement and losses on restatement are recognized in statement of profit and loss except in case they relate to acquisition or construction of fixed assets, in which case they are adjusted to the cost of fixed assets/capital work in progress.

1.5.8 REVENUE RECOGNITION

All expenses and revenue to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.

1.5.9 SALES

Sales include excise duty, wherever applicable and rebate, discounts, claims, expenses incurred on consignment sales etc. are excluded there from. Sales on consignment and expenses there against are being accounted for on receipt of sales account from the respective consignee. Revenue against Turnkey Contracts undertaken by the Company is recognised

Notes on Consolidated Financial Statements

progressively on the basis of percentage of completion method. Stage of completion of contracts in progress is determined by reference to the physical proportion of the contract work completed.

1.5.10 DIVIDEND POLICY

In case of Singardo International Pte. Ltd. dividends to the company's shareholders are recognised when the dividends are approved for payment.

1.5.11 EMPLOYEE BENEFITS

Employee benefits are accrued in the year services are rendered by the employees. Short term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution schemes such as Provident Fund, Superannuation Fund etc. are recognized as and when incurred.

In case of the company, long-term employee benefits under defined benefit scheme such as contribution to gratuity, leave etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

In case of Singardo International Pte. Ltd, employee entitlements to annual leave are recognized when they accrue to employees. An accrual is made of the estimated liability for leave as a result of services rendered by employees upto the balance sheet date

Actuarial gain and losses are recognized in the year when they arise.

1.5.12 BORROWING COSTS

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of profit and loss.

1.5.13 RESEARCH AND DEVELOPMENT

Research and development cost (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.

1.5.14 EXPORT BENEFITS

Export benefits arising to the Company on account of entitlement for duty free imports are accounted for through import of materials. Other export benefits are accounted for as and when the ultimate realisability of such benefits is established.

1.5.15 GOVERNMENT GRANTS

Revenue grants including subsidy/rebates are credited to statement of profit and loss under "other operating revenue" or deducted from the related expenses. Grants relating to fixed assets are credited to Capital Reserve Account or adjusted in the cost of such assets as the case may be, as and when the ultimate realisability of such grants is established.

1.5.16 INCOME TAX

In case of the Company, provision for tax is made for current and deferred taxes. Current tax is provided on the taxable revenue using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable revenue will be available against which such deferred tax assets will be realized. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is "virtual certainty" that such deferred tax assets can be realized against future taxable profits.

In case of foreign companies, tax liabilities and assets are recognized in accordance with the local laws.

1.5.17 LEASES

In case of Electrosteel Castings (UK) Ltd., rentals paid under operating leases are charged to statement of profit and loss as incurred which in case of Singardo International Pte. Ltd. are charged to statement of profit and loss on a straight line basis over the term of the relevant lease.

In case of Singardo International Pte. Ltd., Electrosteel Castings (UK) Ltd., Electrosteel Europe S.A. and Electrosteel USA, LLC, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to revenue statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1.5.18 PROVISIONS, CONTINGENCIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made, of the amount of the obligation. Contingent assets are neither recognized nor disclosed in the financial statement. Contingent liabilities are not provided for and are disclosed by way of notes.

Notes on Consolidated Financial Statements

2. NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

2.1 SHARE CAPITAL

Amount Rs. in lakhs

Particulars	Ref. note no.	As at March 31, 2015	As at March 31, 2014
Authorised			
Equity shares, Re 1/- par value 50,00,00,000 (50,00,00,000) equity shares		50,00.00	50,00.00
Issued, Subscribed and Paid-up Equity shares, Re 1/- par value 35,69,55,322 (Previous Year 34,38,17,322) equity shares fully paid up	2.1.5	35,69.55	34,38.17
		<u>35,69.55</u>	<u>34,38.17</u>

2.1.1 The Company has only one class of shares referred to as equity shares having a par value of Re 1/- each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

2.1.2 During the year, the Company has issued 1,31,38,000 Equity Shares to Promoters/Promoters group of the Company on Preferential basis as approved by the members of the Company at the Extraordinary General Meeting held on 12.05.2014

2.1.3 The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2.1.4 During the year ended 31 March, 2015 the amount of per share dividend recognized as distribution to equity shareholders was Re 0.65.

2.1.5 Reconciliation of the number of shares outstandings

Particulars	Ref. note no.	As at March 31, 2015	No. of shares As at March 31, 2014
Number of shares at the beginning		34,38,17,322	32,67,52,705
Add : Addition during the year	2.1.2	1,31,38,000	1,70,64,617
Number of shares at the end		35,69,55,322	34,38,17,322

2.2 RESERVES AND SURPLUS

Capital reserve as per last Balance Sheet			
Capital subsidy		66.01	66.01
Others			
Amount forfeited on warrants not exercised		30,94.71	30,94.71
Non refundable/ Adjustable amount of warrants issued through Qualified Institution Placements		10,07.05	10,07.05
		<u>41,67.77</u>	41,67.77
Securities Premium Account as per last Balance Sheet		6,32,21.48	6,10,28.68
Add : Addition during the year	2.1.2	23,68.78	21,92.80
		<u>6,55,90.26</u>	6,32,21.48
Revaluation Reserve as per last Balance Sheet		5,68,06.00	5,73,30.74
Less : Transfer to General Reserve	2.11.2	19,35.36	-
Less : Transfer to Depreciation and Amortisation	2.28	-	5,24.74
Less : Transfer due to transitional provision of Companies Act, 2013	2.11.4	7,92.67	-
		<u>5,40,77.97</u>	5,68,06.00

Notes on Consolidated Financial Statements

Particulars	Ref. Note No.	Amount Rs. in lakhs	
		As at March 31, 2015	As at March 31, 2014
Debenture Redemption Reserve as per last Balance Sheet		64,00.00	10,00.00
Add : Transfer from Surplus		3,50.00	54,00.00
		67,50.00	64,00.00
Legal reserve as per last Balance Sheet		1,07.93	99.31
Add : Transfer from Surplus		7.91	8.62
		1,15.84	1,07.93
General reserve as per last Balance Sheet		9,20,58.48	8,95,58.48
Add : Transfer from Surplus		25,00.00	25,00.00
Add : Transfer from Revaluation Reserve	2.11.2	19,35.36	-
Less : Transfer due to transitional provision of Companies Act, 2013	2.11.4	4,27.89	-
		9,60,65.95	9,20,58.48
Surplus as per last Balance Sheet		-59,90.50	61,26.12
Add : Net profit after tax transferred from Statement of Profit and Loss		-1,16,08.90	-15,93.38
Less : Earlier year adjustment	2.2.1	67.77	-
Amount available for appropriation		-1,76,67.17	45,32.74
Appropriations :			
Proposed dividend	2.1.3 & 2.1.4	23,20.21	22,34.81
Tax on dividend		4,72.34	3,79.81
Amount transferred to debenture redemption reserve		3,50.00	54,00.00
Amount transferred to general reserve		25,00.00	25,00.00
Amount transferred to legal reserve		7.91	8.62
Balance in Surplus		-2,33,17.63	-59,90.50
		20,34,50.16	21,67,71.16

2.2.1 In one of the subsidiary prior period expenses has been adjusted against opening Surplus.

2.3 LONG TERM BORROWINGS

Particulars	Ref. Note No.	As at March 31, 2015		As at March 31, 2014	
		Non Current	Current	Non Current	Current
SECURED LOANS					
11.00% Non-Convertible Debenture	2.3.1	50,00.00	-	50,00.00	-
12.50% Non-Convertible Debenture	2.3.2	1,00,00.00	-	1,00,00.00	-
10.75% Non-Convertible Debentures	2.3.3	80,40.00	39,60.00	1,20,00.00	-
Term loans - from banks					
External Commercial Borrowing	2.3.4.1 & 2.3.4.2	7,38,37.84	2,92,55.47	9,88,29.03	1,54,38.06
Others	2.3.5.1 & 2.3.5.2	2,31,00.00	9,00.00	2,00,00.00	-
Term loan from financial institution	2.3.6.1, 2.3.6.2, 2.3.6.3 & 2.3.6.4	84,59.75	28,47.19	87,88.22	35,63.24
Finance Lease	2.3.7.1 & 2.3.7.2	26.88	6.13	18.53	22.32
Others	2.3.8.1 & 2.3.8.2	12,09.77	2,75.54	6,96.18	1,07.10
		12,96,74.24	3,72,44.33	15,53,31.96	1,91,30.72

Notes on Consolidated Financial Statements

- 2.3.1 11% Non Convertible Debentures (privately placed) are secured by second pari-passu charge on Company's fixed assets (immovable and movable) including land and buildings both present and future other than assets located at Chennai and Elavur. These debentures were allotted on 5th July, 2013 and are redeemable at par at the end of 5th year from the date of allotment i.e on 5th July, 2018. However, there is a Put and Call option available to the issuer / investor which can be exercised at the end of three years from the date of allotment i.e on 5th July, 2013.
- 2.3.2 12.50% Non Convertible Debentures (privately placed) are secured by second pari-passu charge on Company's fixed assets (immovable and movable) including land and buildings both present and future other than assets located at Chennai and Elavur. These debentures were allotted on 5th July, 2013 and are redeemable at par at the end of 5th year from the date of allotment i.e on 5th July, 2018. However, there is a Put and Call option available to the issuer / investor which can be exercised at the end of 30 months from the date of allotment i.e on 5th July, 2013 and every quarter thereafter.
- 2.3.3 10.75% Non Convertible Debentures (privately placed) are secured by first pari-passu charge on Company's fixed assets (immovable and movable) including land and buildings both present and future other than assets located at Chennai and Elavur and excluding furniture and fixture, vehicles and other intangible assets. These debentures were allotted on 11th April, 2012 and are redeemable at par in three annual installments at the end of 3rd, 4th & 5th year from the date of allotment.
- 2.3.4.1 External Commercial Borrowings is secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai and Elavur.
- 2.3.4.2 External Commercial Borrowings of USD 77.50 million is repayable in 3 annual installments of 33.25% in July, 2013, 33.25% in July, 2014 & 33.50% in July, 2015. The outstanding as on 31.03.2015 is Rs.1,62,25.26 lakhs (previous year Rs.3,09,92.19 lakhs). External Commercial Borrowings of USD 139.00 million is repayable in 12 semi annual installments from 29th August, 2015. The outstanding as on 31.03.2015 is Rs.8,68,68.05 lakhs (previous year Rs.7,54,77.00 lakhs). The interest rate ranges from 6M Libor + 250 to 500 basis points.
- 2.3.5.1 Rupee Term Loan from bank of Rs.2,00,00.00 lakhs (Previous year Rs.2,00,00.00 lakhs) is secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai and Elavur. Term Loan is repayable in 28 quarterly installments starting from June, 2015. The interest rate ranges from 13.00% p.a to 13.50% p.a.
- 2.3.5.2 Rupee Term Loan from bank of Rs.40,00.00 lakhs (Previous year Rs. nil) is to be secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai, Elavur and Vadgaon (Pune). Term Loan is repayable in 16 equal quarterly installments starting from December, 2015. The interest rate ranges from 11.00% p.a to 11.50% p.a.
- 2.3.6.1 Term Loan from financial institution of Rs Nil (Previous year Rs.9,37.50 lakhs) was secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai and Elavur.
- 2.3.6.2 Term Loan from a financial institution of Rs.23,52.94 lakhs (Previous year Rs.41,17.65 lakhs) is secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai and Elavur. Term Loan is repayable in 17 equal quarterly installments starting from 30th December, 2011. The interest rate ranges from 12.00% p.a to 12.50% p.a.
- 2.3.6.3 Term Loan from a financial institution of Rs.50,00.00 lakhs (Previous year Rs. nil lakhs) is secured by way of first pari-passu charge on all immovable and movable Fixed Assets, both present and future of the Company other than assets located at Chennai and Elavur. Term Loan is repayable in 24 equal quarterly installments starting from 01st July, 2016. The interest rate ranges from 12.00% p.a to 13.00% p.a.
- 2.3.6.4 Term Loan from a financial institution of Rs.39,54.00 lakhs (Previous year Rs.39,54.00 lakhs) is to be secured by way of second pari-passu charge on all movable Fixed Assets and Current Assets, both present and future of the Company. The loan is repayable in 54 monthly installments starting from April, 2015. The interest rate ranges from 14.00% p.a to 14.50% p.a.
- 2.3.7.1 The carrying amounts of financial lease represent their fair values. The flat interest rate is 2.2% per annum. The Company's obligation under finance lease is secured by lessor's title to the leased asset.
- 2.3.7.2 The carrying amounts of financial lease represent their fair values. The flat interest rate is 4.65% per annum. The Company's obligation under finance lease is secured by lessor's title to the leased asset.
- 2.3.8.1 Loan from others includes Rs.9,04.82 lakhs which is repayable in 120 equal monthly installments of Rs.8.93 lakhs from 25th October, 2011. The outstanding as on 31.03.2015 is Rs.4,79.46 lakhs (Previous year Rs.8,03.28 lakhs).
- 2.3.8.2 Loan from others includes Rs.10,05.85 lakhs which is repayable in 60 equal monthly installments from 2nd April, 2015. The outstanding as on 31.03.2015 is Rs.10,05.85 lakhs (Previous year Rs. NIL).

Notes on Consolidated Financial Statements

2.4 DEFERRED TAX LIABILITIES (NET)

Amount Rs. in lakhs

The break up of deferred tax assets and deferred tax liabilities are as given below :

Particulars	Opening as on 01.04.2014	Adjustment (refer note no.) 2.11.4 & 2.4.1	Charge or (Credit) during the Year	Closing as at 31.03.2015
Deferred Tax Assets:				
1. Expenses Allowable on payment Basis	8,05.94	–	-4,18.29	12,24.23
2. Provision for doubtful debts and advances	3,13.40	–	-5.70	3,19.10
3. Others	11,16.70	-10.99	2,05.59	9,22.10
Deferred Tax Liabilities:				
1. Depreciation etc.	51,80.15	-3,15.85	4,74.68	53,38.98
2. Liquidated Damages and Retention money	4,57.09	–	-3,11.27	1,45.82
Net Deferred Tax Liability	34,01.20	-3,26.84	-54.99	30,19.37

2.4.1 Includes adjustments made on disposal of subsidiary.

2.5 OTHER LONG TERM LIABILITIES

Particulars	Ref. Note No.	As at March 31, 2015	As at March 31, 2014
Trade payables		16.48	4,46.21
Others		66.23	63.87
		82.71	5,10.08
2.6 LONG TERM PROVISION			
Provision for employee benefits	2.31	8,37.40	8,38.02
Provision for mine closure and restoration charges	2.6.1	4,61.22	3,67.58
Others		–	3,00.00
		12,98.62	15,05.60

2.6.1 Provision for Mines closure and restoration charges are made in terms of statutory obligations specified for the purpose and deposited in the Escrow account in terms of the stipulation made by Ministry of Coal, for Mines closure Plan. (Refer note 2.18)

2.7 SHORT TERM BORROWINGS

SECURED LOANS

Repayable on demand from banks	2.7.1 & 2.7.2		
Indian Currency		2,81,20.07	2,33,66.04
Foreign Currency	2.7.3	5,33,04.55	4,53,43.35
		8,14,24.62	6,87,09.39

UNSECURED LOANS

Repayable on demand from banks & financial institutions			
Indian Currency		–	10,00.00
Foreign Currency		88,64.69	1,29,14.68
		88,64.69	1,39,14.68
		9,02,89.31	8,26,24.07

2.7.1 Loans repayable on demand being Working Capital facilities from Banks (both fund based and non fund based) are secured by first pari passu charge by way of joint hypothecation of raw materials, finished goods, work in progress, consumable stores and spares, book debts / receivables and other current assets of the Company both present and future

Notes on Consolidated Financial Statements

2.7.2 Fixed Deposits amounting to Rs.30,00.00 lakhs (previous year units of Fixed maturity plans of mutual funds amounting to Rs.30,00.00 lakhs) are pledged with Bank for availing working capital facility (Refer note no. 2.13.2 & 2.18.1)

2.7.3 Loans repayable on demand being Working Capital facilities from Banks includes Rs.30,09.96 lakhs (Previous year Rs.34,88.54 lakhs) secured over the assets of one of the subsidiary including freehold and lease hold property.

2.8 TRADE PAYABLES

Particulars	Ref. Note No.	As at March 31, 2015	As at March 31, 2014
Trade payables	2.8.1	2,91,38.11	3,89,57.20
Share of Joint Venture	2.12.5	0.85	0.85
		2,91,38.96	3,89,58.05
2.8.1 Including acceptances of Rs.19,50.59 lakhs (previous year Rs.1,58,09.13 lakhs)			
2.9 OTHER CURRENT LIABILITIES			
Current maturities of long-term debt	2.3		
Secured		3,72,38.20	1,91,08.40
Current maturities of long-term finance lease			
Secured		6.13	22.32
Interest accrued but not due on borrowings		34,10.54	32,79.78
Interest accrued and due on borrowings		1,55.59	2,40.99
Advance from customers		20,27.63	18,28.24
Unclaimed dividends	2.9.1	1,11.52	1,24.14
Other payables			
Credit balances in current account with banks		15,71.11	17,53.07
Statutory dues- PF, ESI, Service Tax, TDS, Entry Tax etc.		43,53.03	27,20.15
Excise duty on stock		8,40.09	13,57.94
Capital vendors		33,12.32	52,82.16
Others		3,34.79	7,03.77
		5,33,60.95	3,64,20.96
Share of Joint Venture	2.12.5	0.07	0.07
		5,33,61.02	3,64,21.03
2.9.1 The same is not due for payment to investor education and protection fund.			
2.10 SHORT TERM PROVISIONS			
Provision for employee benefits	2.31	16,60.00	12,09.53
Others			
Provision for taxation (net of advance tax)		22,67.00	3,40.60
Provision for dividend	2.1.3 & 2.1.4	23,20.21	22,34.81
Provision for tax on dividend		4,72.34	3,79.81
Provision for losses on derivative transactions on mark to market basis		2,23.77	4,98.27
Other Provisions	2.10.1	9,20.25	9,97.28
		78,63.57	56,60.30
Share of Joint Venture		-	1.65
		78,63.57	56,61.95

2.10.1 Other provisions include (a) provision relating to indirect taxes in respect of proceedings of various excise duty matters – carrying amount at the end of the year Rs.5,00.00 lakhs (previous year Rs.5,00.00 lakhs). No amount was used and reversed during the year. Outflows in these cases would depend on the final developments/outcomes; (b) Other class of provisions related to disputed customer claims/rebates/demands – carrying amount at the end of the year Rs.2,10.00 lakhs (previous year Rs.2,10.00 lakhs). No amount was used and reversed during the year.

Notes on Consolidated Financial Statements

2.11 FIXED ASSETS

Amount Rs. in Lakhs

Description	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK				
	Cost as on April 01, 2014	Additions	Sales/ Adjustments	Other Adjustments	Cost as on March 31, 2015	Upto March 31, 2014	For The Year	Sales/ Adjustments	Other Adjustments	Upto March 31, 2015	As on March 31, 2015	As on March 31, 2014
1	2	3	4	5	6	7	8	9	10	11	12	13
Tangible Assets												
LAND-FREEHOLD	5,78,47.16	2,71.37	0.00	0.00	5,81,18.53	0.00	0.00	0.00	0.00	0.00	5,81,18.53	5,78,47.16
LAND-LEASEHOLD	35,45.98	18.34	0.00	0.00	35,64.32	1,26.76	19.79	0.00	0.00	1,46.55	34,17.77	34,19.22
BUILDINGS	2,18,57.91	25,52.83	13.75	-43,20.14	2,00,76.85	63,09.07	35,42.94	6.18	-1,28.77	97,17.06	1,03,59.79	1,35,48.84
RAILWAY SIDING	47,97.11	0.00	0.00	0.00	47,97.11	10,39.02	4,83.49	0.00	0.00	15,22.51	32,74.60	37,58.09
PLANT AND EQUIPMENTS	8,11,72.83	77,73.88	10,24.80	-74.48	8,78,47.43	4,66,18.55	46,44.14	7,31.22	-52.07	5,04,79.40	3,73,68.03	3,45,54.28
OFFICE EQUIPMENT	8,50.16	1,05.58	9.06	-43.68	9,03.00	4,49.61	1,62.19	8.90	-9.33	5,93.57	3,09.43	4,00.55
FURNITURE AND FIXTURES	9,47.95	53.35	1.46	0.00	9,99.84	6,74.78	92.60	1.45	0.00	7,65.93	2,33.91	2,73.17
VEHICLES	13,03.53	2,65.69	1,54.07	-93.26	13,21.89	6,57.97	3,11.24	1,17.05	-85.49	7,66.67	5,55.22	6,45.56
LIVESTOCK	1.11	0.00	0.00	0.00	1.11	0.00	0.00	0.00	0.00	0.00	1.11	1.11
Total	17,23,23.74	1,10,41.04	12,03.14	-45,31.56	17,76,30.08	5,58,75.76	92,56.39	8,64.80	-2,75.66	6,39,91.69	11,36,38.39	11,64,47.98
Share of Joint Venture	0.59	0.00	0.00	0.00	0.59	0.29	0.09	0.00	0.00	0.38	0.21	0.30
Total	17,23,24.33	1,10,41.04	12,03.14	-45,31.56	17,76,30.67	5,58,76.05	92,56.48	8,64.80	-2,75.66	6,39,92.07	11,36,38.60	11,64,48.28
Intangible Assets												
COMPUTERS SOFTWARES	9,70.67	1,00.03	0.00	0.00	10,70.70	6,93.17	78.38	0.00	0.00	7,71.55	2,99.15	2,77.50
MINING RIGHTS	15.32	0.00	0.00	0.00	15.32	5.65	1.53	0.00	0.00	7.18	8.14	9.67
Total	9,85.99	1,00.03	0.00	0.00	10,86.02	6,98.82	79.91	0.00	0.00	7,78.73	3,07.29	2,87.17
Grand Total	17,33,10.32	1,11,41.07	12,03.14	-45,31.56	17,87,16.69	5,65,74.87	93,36.39	8,64.80	-2,75.66	6,47,70.80	11,39,45.89	11,67,35.45
Previous Year	16,38,62.89	97,15.44	13,51.20	10,83.19	17,33,10.32	5,05,18.64	70,28.57	9,72.34	0.00	5,65,74.87	11,67,35.45	

Notes :

- 2.11.1 Freehold Land and Buildings pertaining to Elavour, Khardah and Haldia Units of the Company has been revalued by an approved valuer as on 31st March, 2013 on direct sales approach basis and depreciated replacement cost approach basis respectively. Accordingly, net increase of Rs. 5,73,30.74 lakhs as on 31st March, 2013 in the value of these fixed assets due to such revaluation had been transferred to Revaluation Reserve.
- 2.11.2 Depreciation and amortization amounting to Rs. 19,35,36 lakhs (previous year Rs. 5,24,74 lakhs) pertains to excess depreciation due to revaluation of Buildings on 31st March, 2013. This amount which has been adjusted from revaluation reserve and credited to statement of Profit & Loss, has been transferred to general reserve in this year.
- 2.11.3 Depreciation and amortization for the year includes Rs. 7,38.89 lakhs (previous year Rs. 8,67.49 lakhs) transferred to Pre-operative of coal mines (Refer note no 2.33.d).
- 2.11.4 During the year, depreciation has been provided based on the life of the assets as per schedule II of the Companies Act, 2013. In term of said schedule, the carrying amount of the asset existing as on 1st April, 2014 has been depreciated over the remaining life of the assets. Consequent upon the application of schedule II as above (including note no 2.11.2), depreciation for the year is higher by Rs. 16,13.99 lakhs. Where the remaining life of the assets is nil as on 1st April, 2014, the carrying amount of Rs. 15,36.41 lakhs (net off deferred tax of Rs. 3,15.85 lakhs) (including Rs. 7,92.67 lakhs pertaining to revalued assets) after retaining the residual value has been fully depreciated and has been adjusted against general reserve.
- 2.11.5 Plant and Equipments includes :
(a) Rs. 8,27.18 lakhs (previous year Rs. 8,27.18 lakhs) being contribution for laying the Power line, the ownership of which does not vest with the Company.
(b) Rs. 24,98.72 lakhs (previous year Rs. 24,98.72 lakhs) being cost of wagons procured under "Wagon Investment Scheme".
(c) Railway Siding Rs. 45,43.18 lakhs (previous year Rs. 45,43.18 lakhs) incurred for construction, the ownership of which does not vest with the Company.
Leasehold Land of Rs. 2,40,00 lakhs (previous year Rs. 2,40,00 lakhs) is pending execution of lease agreement and registration thereof.
- 2.11.6 Freehold land includes Rs. 3,35.81 lakhs (previous year Rs. 4,05.06 lakhs) in respect of which the execution of conveyance deeds is under process.
- 2.11.7 Other adjustments includes adjustment on account of assets of Singardo International Pte Limited as the same ceased to be subsidiary w.e.f. 1st Oct. 2014 and Rs nil (Previous year Rs. 10,83.19 lakhs) representing foreign exchange fluctuation.
- 2.11.8 Land with factory buildings (net block Rs. 1,34,91.04 lakhs) at Elavour plant of the Company are mortgaged in the favour of lender to Electrosteel Steels limited, an associate of the Company.
- 2.11.9 Classification of assets into leasehold and freehold is as per the respective subsidiaries.
- 2.11.10 Refer note 2.3
- 2.11.11 Capital Work-in-progress
- 2.11.12

Particulars

Particulars	Ref. note no.	As at March 31, 2015	As at March 31, 2014
Capital Work-in-progress	2.33	12,10,81.72	7,13.73
Share of Joint Venture (includes depreciation for the year Rs. NIL (previous year Rs. NIL lakhs))	2.12.5	12,85,54.90	12,17,95.45

Notes on Consolidated Financial Statements

2.12 NON-CURRENT INVESTMENTS- AT COST

(Fully paid up except otherwise stated)

Amount Rs. in lakhs

Particulars	Rs. in lakhs	As at March 31, 2015		As at March 31, 2014	
		Holding	Value	Holding	Value
(A) Trade					
Equity Shares					
Quoted					
R.G. Ispat Limited (Face value of Rs.10/- each)		50	0.00	50	0.00
Saint Gobain-PAM (Face value of Euro/each)		14	0.26	14	0.26
Von Roll (Face value of Euro 0.071 each)		10	0.05	10	0.05
Unquoted					
Rainbow Steels Limited (Face value of Rs.10/- each)		100	0.01	100	0.01
Metal Scrap Trade Corporation Limited (Face value of Rs.10/- each)		1,000	0.05	1,000	0.05
			<u>0.37</u>		<u>0.37</u>
(B) Others					
Equity Shares					
Quoted					
Associates					
Srikalahasti Pipes Limited (Formerly Lanco Industries Ltd.) (Face value of Rs.10/- each)	1,57,69.75	1,93,01,218	1,94,01.18	1,93,01,218	1,57,69.75
[Cost of acquisition includes goodwill of Rs.44,91.37 Lakhs (Previous Year Rs.44,91.37 lakhs)]					
Add : Share of Profit / (Loss) for the year (Net)	39,70.15				
Less : Dividend received during the year	2,89.52				
Less : Dividend tax	49.20				
Electrosteel Steels Ltd. (Face value Rs.10/- each)	6,13,89.30	1,08,98,00,000	5,64,63.67	86,73,00,000	6,13,89.30
[Cost of acquisition includes goodwill of Rs.70,29.90 lakhs (Previous year 19,13.49 lakhs)]					
Add : Addition during the year	2,22,50.00				
Less : Share of Profit / (Loss) for the year (Net)	-2,71,75.63				
Unquoted					
Associate					
Electrosteel Thermal Power Ltd. (Face value of Rs.10/- each)	1.20	15,000	1.11	15,000	1.20
[Cost of acquisition includes goodwill of Rs.0.70 lakhs (Previous year Rs.0.70 lakhs)]					
Less : Share of profit / (Loss) for the year (Net)	-0.09				
Joint Venture					
Domco Pvt Ltd (Face value of Rs.100/- each)		30,000	30.00	30,000	30.00
North Dhadhu Mining Company Pvt Ltd (Face value of Rs.10/- each)	8,22.81	82,28,053	-	82,28,053	0.00
[Cost of acquisition includes goodwill of nil (Previous year nil)]					
Less : Proportionate Consolidation	8,22.81				
Other Companies					
Singardo International Pte Ltd. (Face value of SGD 1 each) *		25,000	7.34	0.00	0.00
N Marshall Hi-tech Engineers Pvt. Ltd. (Face value of Rs.10/- each)		50,000	5.00	50,000	5.00
			<u>7,59,08.30</u>		<u>7,71,95.25</u>
Quoted Preference share					
Mukand Limited (0.01% Cumulative Redeemable Preference Shares face value of Rs.10/- each)		16	0.00	16	0.00
			<u>7,59,08.30</u>		<u>7,71,95.25</u>
Less : Provision for investments			30.00		30.00
			<u>7,58,78.30</u>		<u>7,71,65.25</u>
Total - Non-Current Investments			<u>7,58,78.67</u>		<u>7,71,65.62</u>
Aggregate amount of Quoted Investments					
- Other Investments			7,58,65.16		7,71,59.36
Aggregate amount of Unquoted Investments					
- Other Investments			13.51		6.26
			<u>7,58,78.67</u>		<u>7,71,65.62</u>
Aggregate amount of Market value of Quoted Investments					
Other Investments			7,12,56.22		4,61,17.31
			<u>7,12,56.22</u>		<u>4,61,17.31</u>

Notes on Consolidated Financial Statements

Notes :

* During the year Singardo International Pte Ltd has Ceased to be a subsidiary / associate of the company

- 2.12.1 86,67,50,000 Equity shares of Rs.10/- each fully paid up of Electrosteel Steels Limited aggregating Rs.8,87,71.31 lakhs held by the Company as Investment have been pledged in favour of Electrosteel Steels Limited lenders for securing financial assistance to Electrosteel Steels Limited.
- 2.12.2 The Company's investment in Electrosteel Steels Limited being strategic and long term in nature and there been no permanent decline there of as per independent valuation, no provision has been considered necessary with regard to diminution with respect to market value of these investment.
- 2.12.3 The Company has Investment in equity shares of DOMCO Private Limited (DPL), a company incorporated in India, and has joint control (Proportion of ownership interest of the company being 50%) over DPL along with other Venturers (the Venturers). The Venturers had filed a petition before the Company Law Board – Principle Bench, New Delhi (CLB) against the CLB on various matters including for forfeiture of the company's investment in equity share of the DPL. CLB Passed the interim order in favor of the Venturers. Thereafter the company had challenged the order passed by CLB before appropriate bench in Jharkhand High Court and obtained the favorable order. The Venturers thereafter filed a Letters Patent Appeal before Division Bench of Jharkhand High Court. The Division Bench of Jharkhand High Court set aside the order passed by CLB mentioning therein amongst other that "a) CLB to decide whether the allegation made by Venturers under section 397 & 398 amounts to Oppression or Mismanagement and b) thereafter to consider the other interlocutory application of the company filed under section 8 of The Arbitration and Conciliation Act". Thereafter the CLB has passed the order whereby it was held that the matter is a case of Oppression & Mismanagement by Electrosteel. This order was challenged by a Writ Petition in Calcutta High Court and the said order has been set aside with direction to pass the fresh order. The matter is still pending with CLB and no order has been passed till now. Pending final outcome of the matter and since, the Venturers are not providing the Financial Statement of DPL, and thereby required consolidation and disclosures as regards to contingent liabilities, capital commitment, if any, aggregate amounts of the assets, liabilities, income and expenses related to the company's interest in DPL has not been given effect to in these financial statements.
- 2.12.4 (a) The North Dhadhu Coal Block located in the state of Jharkhand was allocated to the Company, M/s. Adhunik Alloys & Power Limited (AAP), M/s. Jharkhand Ispat Pvt. Ltd. (JPL) and M/s. Pawanjay Steel & Power Limited (PSPL) (collectively referred to as venturers) for working through a joint venture company. Accordingly, North Dhadhu Mining Company Private Limited (NDMCPL), a company in which the Company has joint control (proportion of ownership interest of the Company being 48.98 %) along with other venturers was formed. The Company has investment of Rs.8,22.81 Lakhs in equity shares of NDMCPL.
- (b) The Ministry of Coal, Government of India had issued an order for de-allocation of North Dhadhu Coal Block and deduction of Bank Guarantee of Rs.56.03 crores issued for the same. The Company's share in the Bank Guarantee is Rs.27.45 crores. On a writ petition filed by the Company for quashing the order, stay has been granted by the Hon'ble High Court of Jharkhand. Subsequent to this, the allocation of the said block as given in note no 2.33.b has been cancelled with effect from 24th September, 2014 and reference should be made of the said note for the current status of the investments in the said Joint Venture.

2.12.5 Information on other joint venture (other than 2.12.3)

Amount Rs. in lakhs

Sl. No.	Name of the Joint Venture	Country of Incorporation	Percentage of ownership interest
(i)	North Dhadhu Mining Company Private Limited	India	48.98
(ii)	Contingent liabilities in respect of Joint Ventures.		
	A) Guarantee given by banks on behalf of the Company	2014-15	2013-14
		-	27,45.47
(iii)	Interest in assets, liabilities, revenue and expenses with respect to jointly controlled entities.		
A)	Assets :		
a)	Fixed Assets (Net Block) :	0.21	0.30
	Capital Work-in-Progress	7,13.73	7,13.73
b)	Current Assets		
	Cash & Bank Balances	49.13	80.16
	Long term loans & advances	6.17	6.17
	Short term loans & advances	2.40	2.40
	Other Current Assets	4.06	19.75
	Current Investments	51.55	5.02
B)	Current liabilities :		
a)	Other current liabilities	0.07	0.07
b)	Trade payables	0.85	0.85
c)	Short Term Provisions	-0.27	1.65
C)	Revenue	5.25	9.12
D)	Expenses	2.78	5.29

2.12.6 Particulars of investments as required in terms of Section 186(4) of the Companies Act, 2013 have been disclosed under note no 2.12 and 2.13.

2.13 CURRENT INVESTMENTS - AT COST

(Fully paid up except otherwise stated)

Others Non-trade

Equity Shares (Quoted)

	As at March 31, 2015		As at March 31, 2014	
	Holding	Value	Holding	Value
Coal India Limited (Face value of Rs.10/-each)	19,000	49.97	22,000	57.87
Jindal Drilling & Industries Ltd (Face value of Rs.5/- each)	176,500	5,19.99	1,76,500	5,19.99
MOIL Ltd (Face value of Rs.10/- each)	3,794	14.23	3,794	14.23
Reliance Industries Ltd (Face value of Rs.10/- each)	18,000	1,60.19	18,000	1,60.19
Andhra Bank (Face value of Rs.10/- each)	5,000	7.87	5,000	7.87
Container Corporation of India Ltd. (Face value of Rs.10/- each)	-	-	750	6.48
3I Infotech Ltd. (Face value of Rs.10/- each)	60,000	18.01	60,000	18.01
BGR Energy Systems Ltd. (Face value of Rs.10/- each)	1,500	5.48	1,500	5.48
Bharat Heavy Electricals Ltd. (Face value of Rs.2/- each)	12,500	41.94	12,500	41.94
Fortis Healthcare (India) Ltd. (Face value of Rs.10/- each)	4,000	5.75	4,000	5.75
GTL Infrastructure Ltd. (Face value of Rs.10/- each)	60,000	8.25	60,000	8.25
Gujarat Fluorochemicals Ltd. (Face value of Re.1/- each)	-	-	500	2.36
Garden Silk Mills Ltd. (Face value of Rs.10/- each)	1,000	0.80	1,000	0.80
Jyoti Structures Ltd. (Face value of Rs.2/- each)	5,000	3.59	5,000	3.59
Navin Fluorine International Ltd. (Face value of Rs.10/- each)	-	-	1,104	4.34
National Aluminium Company Ltd. (Face value of Rs.5/- each)	2,500	1.95	2,500	1.95
Punjab National Bank (Face value of Rs.2/- each)	10,000	19.86	2,000	19.86
Pilani Investment and Industries Corporation Ltd. (Face value of Rs.10/- each)	700	17.17	700	17.17
Sesa Sterlite Industries Ltd. (Face value of Re.1/- each)	2,000	4.18	3,000	6.27
Taj GVK Hotels & Resorts Ltd. (Face value of Rs.2/- each)	-	-	5,000	4.93
Timex Group India Ltd. (Face value of Re.1/- each)	1,000	0.28	1,000	0.28
Tata Teleservices (Maharashtra) Ltd. (Face value of Rs.10/- each)	28,333	4.91	28,333	4.91
		8,84.42		9,12.52
		2,79.82		2,52.50
		6,04.60		6,60.02

Less : Provision

Total - Equity Shares

Notes on Consolidated Financial Statements

2.13 CURRENT INVESTMENTS - AT COST (Contd.)

Amount Rs. in lakhs

(Fully paid up except otherwise stated)

	As at March 31, 2015		As at March 31, 2014	
	Holding	Value	Holding	Value
Bonds (Quoted)				
Rajasthan Rajya Vidyut Utpadan Nigam Ltd Tranche-11 (Face value of Rs.10,00,000 each)	4	40.00	-	-
Bank of India SR-1 11 BD Perpetual (Face value of Rs.10,00,000 each)	3	30.76	-	-
IL & FS Transportation Networks Ltd TRCH-1V (Face value of Rs.10,00,000 each)	4	40.11	-	-
9.70% G.E. Shipping 15 April 2021 of (Face value of Rs.10,00,000 each)	-	-	121.00	12,73.89
10.45% GSPC 28/09/2072 (Face value of Rs.10,00,000 each)	-	-	144.00	15,14.57
10.20% Shriram Equipment Finance Co. Ltd. (Face value of Rs.10,00,000 each)	-	-	33.00	3,09.87
Total - Bonds		1,10.87		30,98.33
Units of Mutual Funds				
Quoted				
HDFC Fixed Maturity Plans - Series 23 384D	-	-	50,00,000.00	5,00.00
HDFC Fixed Maturity Plans-Series 25 405D	-	-	1,00,00,000.00	10,00.00
Birla Sun Life Fixed Term Plan-Series GV (368 Days)	-	-	1,00,00,000.00	10,00.00
Reliance Yearly Interval Fund - Series 6	-	-	50,00,000.00	5,00.00
Total - Units of Mutual Funds - note 2.13.2				30,00.00
Total - Current Investments		7,15.47		67,58.35
Share of Joint Venture (Refer note no. 2.12.5)				
Reliance Money Manager Fund	2,934.11	51.55	309.23	5.02
Total - Current Investments		7,67.02		67,63.37
Aggregate amount of Quoted Investments				
- In Mutual Funds	51.55		30,05.02	
- In Bonds and Commercial Papers	1,10.87		30,98.33	
- In Equity Shares	604.60	7,67.02	660.02	67,63.37
Aggregate amount of Market value of Quoted Investments				
- In Mutual Funds		54.81		32,48.30
- In Bonds		1,18.04		31,80.91
- In Equity Shares		6,04.60		6,60.02
		7,77.45		70,89.23

2.13.1 Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower except in case of debenture, bonds and government securities where the net present value at current yield to maturity have been considered.

2.13.2 Pledged with lenders against overdraft facility. (refer note no. 2.7.2)

2.13.3 Refer note no 2.12.6 for particulars of investments.

Notes on Consolidated Financial Statements

2.14 LONG TERM LOANS AND ADVANCES		Amount Rs. in lakhs	
Particulars	Ref. note no.	As at March 31, 2015	As at March 31, 2014
UNSECURED, CONSIDERED GOOD			
Capital Advances	2.14.4	9,19.43	11,75.27
Security Deposits	2.14.3	13,54.95	54,94.96
Others			
Prepaid expenses		1,22.02	45.93
Loans and Advances to related party	2.38	–	2,22,50.00
Others	2.14.1	14.66	3.08
		24,11.06	2,89,69.24
Share of Joint Venture		6.17	6.17
		24,17.23	2,89,75.41

2.14.1 Including loans and advance to employees amounting to Rs.14.21 lakhs. (previous year Rs.2.63 lakhs)

2.14.2 In the opinion of the Board of Directors, current assets and loans and advances have the value at which these are stated in the Balance Sheet, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required.

2.14.3 Security deposits include Rs.5,57.50 lakhs (previous year Rs.5,57.50 lakhs) with private limited companies in which directors are interested as a member / director and Rs.2,03.00 lakhs (previous year Rs.38,22.30 lakhs) with related parties.

2.14.4 Capital advances includes Rs.5.27 lakhs (previous year Rs.5.27 lakhs) paid to related party

2.15 OTHER NON-CURRENT ASSETS

UNSECURED, CONSIDERED GOOD

Long Term Trade Receivables	3,39.14	12,79.32
Fixed Deposit (having original maturity of more than 1 year)	0.54	–
	3,39.68	12,79.32

2.16 INVENTORIES

Raw materials		2,56,07.46	2,93,31.54
Raw materials (goods in transit)		5,17.67	17,39.13
Finished goods	3,36,13.09		
Less : Adjustment for stock of subsidiary	2.16.2	<u>15,57.74</u>	3,47,30.67
Finished goods (goods in transit)		–	2,47.63
Process stock		47,91.91	35,40.34
Stock-in-trade (in respect of goods acquired for trading)		–	38.62
Stores and spares		54,07.54	59,57.53
Stores and spares (goods in transit)		2,13.97	2,18.97
		6,85,93.90	7,58,04.43
Work-in-progress (Turnkey Projects)		7,91.70	5,11.70
Less : Progress payment received		4,89.99	3,98.82
		3,01.71	1,12.88
		6,88,95.61	7,59,17.31

2.16.1. Refer note no. 2.7.1 and 2.17.1

2.16.2. During the year Singardo International Pte Ltd has Ceased to be a subsidiary / associate of the company

Notes on Consolidated Financial Statements

2.17 TRADE RECEIVABLES

Amount Rs. in lakhs

Particulars	Ref. note no.	As at	
		March 31, 2015	March 31, 2014
CURRENT	2.7.1		
Trade outstanding for period exceeding six months from the date they become due for payment			
Unsecured Considered good		55,78.71	55,70.25
Doubtful		6,13.20	7,13.32
Less : Provision for doubtful		6,13.20	7,13.32
		55,78.71	55,70.25
Others		4,60,43.59	5,14,48.25
		5,16,22.30	5,70,18.50

2.17.1 Balances of Trade Receivables including for Turnkey Contracts, Work-in-progress, Creditors and advances are subject to confirmation/reconciliation and adjustments in this respect are carried out as and when amounts thereof, if any are ascertained.

2.18 CASH AND BANK BALANCES

Cash and Cash Equivalents			
Balances with banks			
In current and cash credit accounts	2.18.2	1,12,52.06	1,20,27.13
In dividend accounts		111.52	1,24.14
Cash on hand	2.18.3	28.44	20.24
		1,13,92.02	1,21,71.51
Share of Joint Venture	2.12.5	49.13	80.16
		1,14,41.15	1,22,51.67
Other balance with banks			
In current accounts	2.6.1	4,61.22	3,67.58
Margin money/Fixed deposits(having original maturity of more than 3 months)	2.18.1 & 2.18.2	1,26,25.30	1,41,02.60
		2,45,27.67	2,67,21.85

2.18.1 Fixed Deposits with Banks include Fixed Deposit of Rs.31,07.27 lakhs (previous year Rs.3,39.71 lakhs) lodged with Government Departments, Customers and Bank.

2.18.2 Includes Fixed Deposits of Rs.95,16.64 lakhs (previous year Rs.1,37,16.64 lakhs) and bank Balance of Rs. nil lakhs (previous year Rs.50,00.00 lakhs) in respect of External Commercial Borrowings loan pending utilisation for intended use.

2.18.3 Includes cash held in trust amounting to Rs 0.07 lakhs (previous year Rs.0.07 lakhs)

Notes on Consolidated Financial Statements

2.19 SHORT TERM LOANS AND ADVANCES

Amount Rs. in lakhs

Particulars	Ref. note no.	As at	
		March 31, 2015	March 31, 2014
UNSECURED, CONSIDERED GOOD	2.7.1		
Loans and advances to related parties	2.19.1 & 2.42	2,58,87.63	88,91.84
Other loans and advances			
Security Deposits		12,26.31	9,16.48
For supply of goods and rendering of services		13,14.94	15,86.35
Loans and advances to employees		7.38	20.63
Balance with Government authorities		80,23.45	78,27.35
Advance tax (net of provision)		-	99.10
Prepaid expenses		11,79.33	8,00.03
Others		23,70.17	8,14.46
		4,00,09.21	2,09,56.24
Share of Joint Venture		2.40	2.40
		4,00,11.61	2,09,58.64
DOUBTFUL ADVANCES			
Loans and advances to related parties		7,00.00	7,00.00
Others		12.04	12.04
		7,12.04	7,12.04
Less : Provision for doubtful advances		7,12.04	7,12.04
		4,00,11.61	2,09,58.64

2.19.1 Includes Rs.17.75 lakhs (previous year Rs.17.02 lakhs) being amount given as interest free loan to shareholder.

2.20 OTHER CURRENT ASSETS

Interest receivable		38.57	2,67.97
Incentive/Subsidy receivable		56,42.29	46,33.42
Export incentive receivable		42,58.70	48,00.84
Forward Premium receivable		27,89.69	34.60
Others		6,56.03	11,11.21
		1,33,85.28	1,08,48.04
Share of Joint Venture	2.12.5	4.06	19.75
		1,33,89.34	1,08,67.79

2.21 REVENUE FROM OPERATIONS

Sale of products		23,75,14.66	24,09,42.93
Sale of services (Turnkey contracts)		10,04.14	6,18.22
Other operating revenues			
Incentive on exports		52,45.37	67,91.32
Others		13,69.32	23,84.24
		24,51,33.49	25,07,36.71
Less : Excise duty		49,50.93	48,21.12
		24,01,82.56	24,59,15.59

Notes on Consolidated Financial Statements

		Amount Rs. in lakhs	
Particulars	Ref. note no.	For the year ended 31.03.2015	For the year ended 31.03.2014
2.22 OTHER INCOME			
Interest income on			
Current investments		8.25	2,99.52
Interest on loans, deposits, overdue debts etc.	2.22.1	4,70.13	4,15.20
Dividend income			
Current investments		7.46	56.44
Non current investments		0.01	1.21
Net gain or loss on sale / redemption of investments			
Current investments (net)	2.22.2	3,72.29	8,74.75
Non current investments - Profit on disposal of subsidiary		2,34.03	-
Net gain or loss on foreign currency transaction and translation		36,90.74	45.47
Provision no longer required written back		3,37.22	2,10.00
Miscellaneous income	2.22.3	10,98.17	9,63.76
		<u>62,18.30</u>	<u>28,66.35</u>
2.22.1 Includes share of Joint Venture Rs.4.72 lakhs (previous year Rs.8.01 lakhs) (refer note no. 2.12.5)			
2.22.2 Includes share of Joint Venture Rs.0.24 lakhs (previous year Rs.1.11 lakhs) (refer note no. 2.12.5)			
2.22.3 Includes share of Joint Venture Rs.0.29 lakhs (previous year Rs. NIL) (refer note no. 2.12.5)			
2.23 COST OF MATERIALS CONSUMED			
Raw materials consumed		<u>10,37,26.82</u>	<u>9,47,32.02</u>
2.24 PURCHASES OF STOCK IN TRADE			
D.I. Pipes & Fittings		61,84.72	95,33.55
Coke and coal		36,13.11	1,15,26.69
Others		50,39.99	67,30.61
		<u>1,48,37.82</u>	<u>2,77,90.85</u>
2.25 (INCREASE)/DECREASE IN INVENTORIES			
Closing Stock :			
Finished		3,36,13.09	3,49,78.30
Stock-in-trade (in respect of goods acquired for trading)		-	38.62
Process		47,91.91	35,40.34
Work in Progress (Turnkey Projects)		7,91.70	5,11.70
		<u>3,91,96.70</u>	<u>3,90,68.96</u>
Less : Opening stock			
Finished		3,49,78.30	3,23,37.08
Stock-in-trade (in respect of goods acquired for trading)		38.62	-
Process		35,40.34	27,23.95
Work in Progress (Turnkey Projects)		5,11.70	10,42.36
		<u>3,90,68.96</u>	<u>3,61,03.39</u>
		<u>-1,27.74</u>	<u>-29,65.57</u>
2.26 EMPLOYEE BENEFITS EXPENSE			
Salaries and wages		1,90,63.87	1,80,37.29
Contribution to provident and other funds		16,18.66	14,57.32
Staff welfare expenses		8,56.17	7,58.24
		<u>2,15,38.70</u>	<u>2,02,52.85</u>

Notes on Consolidated Financial Statements

		Amount Rs. in lakhs	
2.27 FINANCE COSTS		For the year ended	For the year ended
Particulars	Ref. note no.	31.03.2015	31.03.2014
Interest expense		1,27,60.90	1,14,23.04
Net gain/loss on foreign currency transactions and translation		23,41.28	28,72.48
Other borrowing cost		5,54.48	7,50.77
		<u>1,56,56.66</u>	<u>1,50,46.29</u>
2.28 DEPRECIATION AND AMORTISATION EXPENSES			
Depreciation and amortization expense	2.11	70,61.09	61,61.08
Less : Transfer from Revaluation Reserve	2.11.2	-	5,24.74
		<u>70,61.09</u>	<u>56,36.34</u>
2.29 OTHER EXPENSES			
Consumption of stores and spare parts	2.29.2	1,38,75.60	1,30,17.62
Power and fuel		1,73,38.08	1,60,38.32
Rent	2.29.4	20,06.38	21,41.71
Repairs to buildings		2,61.17	1,65.96
Repairs to machinery		4,30.36	2,68.60
Insurance		9,68.00	10,10.24
Rates and taxes	2.29.5	5,38.06	6,32.62
Directors fees and commission		86.74	57.89
Packing & forwarding charges [(net of realisation Rs.64,61.87 lakhs (previous year Rs.44,14.32 lakhs)]		1,32,02.44	1,52,78.30
Commission to selling agents		59,23.13	51,10.33
Job charges		15,89.46	24,17.89
Excise duty on stock		-41.07	1,32.72
Bad debts		47.54	6,03.69
Less :Provision for bad and doubtful debts		-	-26.80
Loss on sale of fixed assets (net)		1.33	78.26
Loss on sale of Subsidiary		2,73.22	-
Provision for bad and doubtful debts		2,42.09	3,41.41
Net loss on foreign currency translation		-	56,12.69
Provision for diminution in value of investments		27.32	-
Provision for losses on mark to market basis on derivative transactions		-	-
Miscellaneous expenses	2.29.1 , 2.29.3 & 2.29.6	1,25,86.39	1,34,50.52
		<u>6,93,56.24</u>	<u>7,63,31.97</u>
2.29.1 Miscellaneous expenses includes auditors remuneration.			
(a) Audit Fees		1,10.21	1,10.59
(b) Other services - Certificates, etc.		8.51	6.85
2.29.2 Stores and spares consumption include pipe moulds written off			
		2,80.03	2,35.84
2.29.3 Miscellaneous expenses include Charity and Donation of Rs.2,63.62 lakhs (previous year Rs.3,07.70 lakhs).			
2.29.4 The Company has certain operating lease arrangements for office accommodations etc. with tenure extending upto 9 yrs. Term of certain lease arrangements include escalation clause for rent on expiry of 36 months from the commencement date of such lease and deposit / refund of security deposit etc. Expenditure incurred on account of rent during the year and recognized in the Profit and Loss account amounts to Rs.17,97.93 lakhs (previous year Rs.18,51.83 lakhs).			
2.29.5 Includes share of Joint Venture Rs.0.02 lakhs (previous year Rs.0.02 lakhs) (refer note no. 2.12.5)			
2.29.6 Includes share of Joint Venture Rs.2.76 lakhs (previous year Rs.5.22 lakhs) (refer note no. 2.12.5)			
2.29.7 During the year, the Company has incurred Rs.89.65 lakhs (previous year Rs.89.47 lakhs) on account of research and development expenses which has been charged to Statement of Profit and Loss.			
2.29.8 Miscellaneous expenses include expenses incurred on account of Corporate Social Responsibility (CSR) Rs.1,98.48 lakhs. (previous year Rs. nil lakhs)			

Notes on Consolidated Financial Statements

2.30 TAX EXPENSES

Amount Rs. in lakhs

Particulars	Ref. note no.	For the year ended	For the year ended
		31.03.2015	31.03.2014
Provision for current tax		27,78.23	38,26.93
Excess provision for Fringe Benefit written back		—	-45.88
		<u>27,78.23</u>	<u>37,81.05</u>

2.31 Employee Benefits

The disclosures required under Accounting Standard 15 on "Employee Benefits" are given below:

Defined Contribution Scheme

Contribution to Defined Contribution Plan, recognized for the year are as under :

	31.03.2015	31.03.2014
Employer's Contribution to Provident Fund	3,28.33	3,17.33
Employer's Contribution to Pension Fund	1,61.76	1,06.50
Employer's Contribution to Superannuation Fund	65.00	65.33

Defined Benefit Scheme

The employee's gratuity fund scheme managed by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Ltd. is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

a) **Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows :**

Liability at the beginning of the year	16,92.03	14,92.89
Interest Cost	1,56.19	1,43.32
Current Service Cost	1,31.46	1,17.85
Actuarial (gain) / loss on obligations	1,67.27	26.37
Benefits paid	-52.66	-88.40
Liability at the end of the year	<u>20,94.29</u>	<u>16,92.03</u>

Gratuity (Funded)	
2014-15	2013-14
16,92.03	14,92.89
1,56.19	1,43.32
1,31.46	1,17.85
1,67.27	26.37
-52.66	-88.40
<u>20,94.29</u>	<u>16,92.03</u>

Notes on Consolidated Financial Statements

NOTES ON ACCOUNTS (Contd.)

Amount Rs. in lakhs

	Gratuity (Funded)	
	2014-15	2013-14
b) Changes in the Fair Value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows:		
Fair value of Plan Assets at the beginning of the year	10,87.44	8,42.10
Expected Return on Plan Assets	98.27	86.83
Contributions by the Company	1,70.20	2,50.42
Benefits paid	-52.66	-88.40
Actuarial gain / (loss) on Plan Assets	72.94	-3.51
Fair value of Plan Assets at the end of the year	13,76.19	10,87.44
Total actuarial gain / (loss) to be recognised	-94.33	-29.88
c) Actual return on Plan Asset		
Expected return on Plan assets	98.27	86.83
Actuarial gain / (loss) on Plan Assets	72.94	-3.51
Actual Return on Plan Assets	1,71.21	83.32
d) Amount Recognized in Balance Sheet		
Liability at the end of the year	20,94.29	16,92.03
Fair value of Plan Assets at the end of the year	13,76.19	10,87.44
	7,18.10	6,04.59
e) Expenses Recognized in the Income Statement		
Current Service Cost	1,31.46	1,17.85
Interest Cost	1,56.19	1,43.32
Expected Return on Plan Assets	-98.27	-86.83
Net Actuarial (gain) / loss to be Recognized	94.33	29.88
Expenses Recognized in Profit & Loss Account	2,83.71	2,04.22
f) Balance Sheet Reconciliation		
Opening Net Liability	6,04.59	6,50.79
Expenses as above	2,83.71	2,04.22
Employers Contribution	-1,70.20	-2,50.42
Amount Recognized in Balance Sheet	7,18.10	6,04.59

Gratuity (Funded)

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligation at the end of the year	20,94.29	16,92.03	14,92.89	12,54.18	11,80.69
Plan Asset at the end of the period	13,76.19	10,87.44	8,42.10	7,39.04	6,72.05
Funded status	7,18.10	6,04.59	6,50.79	5,15.14	5,08.64

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at 31.03.2015 is given below :

Particulars	As at	As at
	31.03.2015	31.03.2014
Privileged Leave	9,94.90	8,90.62
Sick Leave	6,72.22	5,40.16
g) Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	8.25%	8.25%
Rate of Return on Plan Assets	8.25%	9.00%

Notes on Consolidated Financial Statements

NOTES ON ACCOUNTS (Contd.)

Amount Rs. in lakhs

Notes :

- i) Assumptions relating to future salary increases, attrition, interest rate for discount & overall expected rate of return on Assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.
- ii) The Company expects to contribute Rs.2,00.00 lakhs (previous year Rs.2,00.00 lakhs) to Gratuity fund in 2015-16.

2.32 Calculation of Earning Per Share is as follows :

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
(a) Net profit for basic and diluted earnings per share as per Statement of Profit and Loss	<u>-1,16,08.90</u>	<u>-15,93.38</u>
Net profit for basic and diluted earnings per share	<u>-1,16,08.90</u>	<u>-15,93.38</u>
(b) Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Re. 1/- per share)		
No of equity shares outstanding as on 20th May, 2014 (previous year outstanding as on 26th November, 2013)	34,38,17,322	32,67,52,705
Add : Issued during the year	<u>1,31,38,000</u>	<u>1,70,64,617</u>
Number of equity shares considered in calculating basic and diluted EPS	35,69,55,322	34,38,17,322
(c) Weighted average number of equity shares outstanding	35,51,91,590	33,25,96,752
(d) Earnings per share :		
a) Basic	-3.27	-0.48
b) Diluted	-3.27	-0.48

- 2.33 a. In pursuance of the Order dated September 24, 2014 issued by the Hon'ble Supreme Court of India (the Order) followed by the ordinance promulgated by the Government of India, Ministry of Law & Justice (legislative department) dated October 21, 2014 (Ordinance) for implementing the order allotment of Parbatpur coal block (coal block/mines) to the Company which was under advanced stage of implementation, has been cancelled w.e.f. April 01, 2015. In terms of the Ordinance, the Company was allowed to continue the operations in the said block till 31st March, 2015. Accordingly, the same has been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015.

The claim for compensation amounting to Rs.12,20,71.00 lakhs till March 31, 2014 and Rs.68,13.11 lakh during the year till handing over the mines is yet to be received by the Company. The Company pending acceptance and recovery of the claim, has filed a petition before the Hon'ble High Court at Delhi, decision whereof is awaited on this date.

Pending decision of the Court, the accounting policy hitherto followed pertaining to the coal mines has been continued during the year. Consequently, amount incurred for the coal block till March 31, 2014 as well as those incurred thereafter during the year after setting off income, stocks etc. there against has been continued to be capitalized as capital work in progress and various balances under advances, fixed assets etc. has been continued to be so classified as per the details given below. Pending decision of Hon'ble High Court on the matter, amount recoverable as compensation are presently not ascertainable and consequential adjustments in this respect will be given effect to on ascertainment of the amounts thereof.

Claims pursuant to cancellation of Coal Block and handing over the same detailed in different heads of accounts includes the following :

Particulars	As at March 31, 2015	As at March 31, 2014
Inventories	14,78.76	10,58.77
Short Term Loan and Advances	13,99.78	15,45.85
Capital Work in Progress :		
Plant and Equipment and others assets under Installation	3,34,93.90	3,25,89.75
Mine Development including overburden removal expenses (Net) (Refer Note No: 2.33.d)	<u>8,66,86.76</u>	<u>7,97,48.62</u>
Other Fixed Assets	22,43.99	29,60.40
Capital Advance	3,31.92	10,60.61
Land	32,49.00	31,07.00
Total	<u>12,88,84.11</u>	<u>12,20,71.00</u>

Notes on Consolidated Financial Statements

NOTES ON ACCOUNTS (Contd.)

Amount Rs. in lakhs

- 2.33.b In terms of the Supreme Court Order as referred above, North Dhadhu Coal Block, allotted in joint venture with other Companies, has also been cancelled w.e.f. September 24, 2014. The Company barring initial contribution of Rs. 8,22.81 Lakhs has not made any further investments in the said joint venture Company. In view of the management, the compensation to be received in terms of the ordinance is expected to cover the cost incurred by the Joint Venture Companies and thereby no diminution thereagainst is expected to arise and accordingly no provision has been considered necessary by the management.
- 2.33.c Capital work in progress includes plant and equipments and other assets amounting to Rs.4,01,68.80 lakhs (previous year Rs.4,06,88.98 lakhs) under installation and capital and other expenditure incurred pending completion thereof.
- 2.33.d The expenses incurred for projects/assets during the construction/mine development period are classified as "Pre-operative Expenses" pending capitalization are included under capital work in progress and will be allocated to the assets on completion of the project/assets. Consequently expenses disclosed under the respective head are net of amount classified as preoperative expenses by the Company. The details of these expenses are as follows :

Particulars	As at March 31, 2015	As at March 31, 2014
Balance brought forward	8,03,92.74	4,90,69.42
Add: Relating to earlier years	-	1,19,42.27
Contractual Expenses - raising, over burden removal etc.	86,83.65	81,64.12
Salaries and Wages	15,42.39	11,72.22
Contribution to Provident and Other Funds	59.75	47.43
Staff welfare expenses	51.68	55.40
Stores and Spares Consumption	14,80.01	19,36.18
Handling and Transportation	51.39	58.70
Power and Fuel	29,90.00	41,37.09
Repairs to Machinery	-	0.31
Repairs others	24.35	32.36
Rent	20.54	26.95
Insurance	61.20	70.58
Miscellaneous Expenses	25,18.19	15,67.90
Royalty on Coal, Clean energy cess and Stowing duty	9,02.72	8,03.12
Interest Paid	54,12.05	61,22.93
Finance charges	1,13.64	2,76.35
Depreciation and amortisation expense (Refer note no.2.11.3)	7,38.89	8,67.49
Excise duty on coal Stock	-4,75.94	4,06.56
Loss on exchange fluctuation	47,17.05	1,12,29.86
	-4,05.32	
Mark to market loss on derivatives	-	4,84.38
Provision for Mine Closure and restoration expenses	93.64	3,67.58
Total preoperative/development expenses	10,89,72.62	9,88,39.20
Less :		
Allocated/Transferred during the year to completed assets	61.01	22.20
Sale of Coal to associate [557625.04 MT. (previous year 43206.94 MT)]	2,43,33.82	16,50.66
Sale of inferior grade coal [nil. (previous year 15995.74 MT)]	-	2,69.94
Less : Excise Duty	14,01.41	1,07.45
Less : Royalty, clean energy cess, stowing duty and vat	32,21.04	2,22.67
Net Sales	1,97,11.37	15,90.48
Coal transferred for Captive Consumption [184856.44 MT, (Previous Year 150184.60 MT)]	95,24.15	77,76.93
Other Income	26.19	6.66
Increase/(Decrease) in stock of Coal		
Opening Stock 389925 MT.(Previous Year 121758 MT.)	1,02,77.32	25,71.26
Less Closing Stock 64502 MT (Previous Year 389925 MT)	14,44.74	-88,32.58
Interest on deposit [net of provision of for current tax Rs.4,17.14 lakhs (previous year Rs.6,92.12 lakhs)]	8,10.11	13,44.13
Total preoperative and development expenses carried forward pending allocation	8,76,72.37	8,03,92.74

Notes on Consolidated Financial Statements

NOTES ON ACCOUNTS (Contd.)

Amount Rs. in lakhs

2.34 (a) Category wise outstanding derivatives contracts entered for hedging as on March 31, 2015 are as follows :-

Sl. No.	Category	Currency	2014-15 No. of Deals	2014-15 Amount in Foreign Currency	2013-14 No. of Deals	2013-14 Amount in Foreign Currency
1	Sell Forward	USD/INR	29	3,37,42,628	34	2,04,64,178
2	Sell Forward	GBP/USD	4	19,66,773	7	39,85,368
3	Sell Forward	EURO/USD	18	1,75,82,413	19	1,16,76,170
4	Sell Forward	EURO/INR	18	2,00,00,000	5	50,76,529
5	Sell Forward	USD/EURO	2	23,84,000	1	6,84,250
6	Buy Forward	USD/INR	13	2,30,96,183	15	1,73,30,265
7	Option (FWDS)	USD	-	-	6	1,63,21,600
8	Option (ECB)	USD	2	60,00,000	3	1,13,60,000
9	Interest Rate Swap	USD	16	8,33,50,000	19	9,83,90,000
10	Interest Rate Cap	USD	4	1,66,80,000	4	1,83,30,000

(b) Unhedged Foreign Currency with respect to reporting currency exposures as on March 31, 2015 are as follows :-

Nature	Currency	2014-15 Amount in Foreign Currency	2013-14 Amount in Foreign Currency
Payables			
ECB Payable (include accrued interest)	USD	15,17,04,075	17,27,51,907
Buyer's Credit /Acceptances (include accrued interest)	USD	3,14,68,716	4,11,05,915
Buyer's Credit	EURO	-	8,20,605
FCNR	USD	40,00,000	41,48,230
Imports	USD	36,90,607	1,49,92,858
Imports	EURO	6,11,045	5,27,452
Imports	GBP	7,576	9,871
Imports	AED	94,400	94,400
Imports	HKD	29,472	54,388
Imports	BHD	2,31,332	3,57,753
Imports	AUD	1,875	18,004
Imports	TRY	1,61,492	-
Trade & other payables	EURO	-	3,84,599
Loan & borrowings	EURO	-	1,76,679
Receivable			
Exports	GBP	29,06,569	13,70,549
Exports	SGD	35,06,611	39,37,570
Others	BHD	5,07,059	18,42,426
Others	SGD	-	4,12,967
Others	TRY	3,23,159	-
Others	GBP	1,23,451	-
Others	SGD	4,226	-
Others	BHD	1,87,437	-

Notes on Consolidated Financial Statements

NOTES ON ACCOUNTS (Contd.)

Amount Rs. in lakhs

2.35 As regards construction contracts in progress as on 31.03.2015, aggregate amount of costs incurred and recognized profit (less recognized losses) up to the year end (to the extent ascertained by the management, aggregate amount of advances received and aggregate amount of retentions are Rs.19,96.19 lakhs, Rs.15,17.41 lakhs and Rs.82.78 lakhs respectively. (Previous year Rs.72,45.48 lakhs, Rs.4,35.91 lakhs and Rs.6,18.23 lakhs respectively).

		2014-15		2013-14	
		in million	Rs. in lakhs	in million	Rs. in lakhs
2.36	(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):		5,35.54		4,39.24
	(b) Other commitments				
	i) Forward contract outstanding				
	In USD	59.22	3,70,11.29	38.48	2,30,52.58
	In Euro	37.58	2,52,01.64	16.75	1,38,02.25
	In GBP	1.97	18,21.09	3.99	39,72.07
2.37	Contingent Liabilities not provided for in respect of:				
	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 :				
	i) Sales Tax		75,21.84		75,48.52
	ii) Excise, Custom Duty and Service tax [net of provision of Rs.5,00.00 lakhs (previous year Rs.500.00 lakhs)]		1,34,41.52		1,34,00.78
	iii) Income Tax		1,14.48		28.45
	b) Employees State Insurance Corporation has raised demand for contribution in respect of Gross Job Charges for the year 2001-02, 2003-04 and March'08 to January'10. In the opinion of the management demand is adhoc and arbitrary and is not sustainable legally.		92.51		92.51
	c) Demand of Tamilnadu Electricity Board disputed by the Company.		8.20		8.20
	d) During the year 1994 UPSEB had raised demand for electricity charges by revising the power tariff schedule applicable to the Company retrospectively from Feb '86. In the opinion of the management the revised power tariff is not applicable to the Company and accordingly the Company disputed the demand and the matter is pending before Hon'ble High Court at Allahabad.		2,61.74		2,61.74
	e) Corporate guarantee issued to banks by the Company on behalf of :				
	(i) Subsidiary Companies		74,71.77		1,09,07.91
	(ii) Others		21,61.17		-
	f) Standby Letter of Credit issued by banks on behalf of the Company in favour of				
	(i) Subsidiary Companies		1,16,38.81		2,04,13.61
	g) Guarantees given by banks on behalf of the Company				
	(i) The Company		89,61.87		1,50,88.70
	(ii) The Subsidiary		NIL		3,67.80
	h) Bills Discounted with Banks		69,69.41		46,39.71
	i) Receivable factored		44,08.65		37,72.59
	j) The Company has disputed downward revision in the prices affected by the purchaser subsequent to sale of certain specified materials. In the opinion of the management and also on the merit of the case, as advised legally no liability is likely to arise. The matter is subjudice and pending final judgement the amount payable, if any is not ascertainable presently.				

Note: Future cash outflows, if any, in respect of (a) to (d), and (j) above is dependent upon the outcome of judgments/decisions.

Notes on Consolidated Financial Statements

NOTES ON ACCOUNTS (Contd.)

Amount Rs. in lakhs

2.38 At the Balance Sheet Date, the following are the commitments in respect of

(a) Operating Lease

Name of the Companies

	Due within one year		Due between two and five years	
	2014-15	2013-14	2014-15	2013-14
1. Singardo International Pte. Ltd. (ceased to be subsidiary / associate)	–	83.52	–	6.64
2. Electrosteel Castings (UK) Limited	3.70	–	1,07.41	1,48.50
3. Electrosteel USA LLC.	1,00.87	53.53	1,76.58	1,53.95
(b) Finance Lease				
1. Singardo International Pte. Ltd. (ceased to be subsidiary / associate)	–	22.32	–	–
2. Electrosteel Europe S.A	23.71	22.77	–	29.13
(c) Capital Lease				
1. Electrosteel USA LLC.	6.13	–	21.38	–

2.39 The Company operates mainly in one business segment viz Pipes being primary segment and all other activities revolve around the main activity. The secondary segment is geographical, information related to which is given as under :

Particulars	2014-15			2013-14		
	Within	Outside	Total	Within	Outside	Total
	India	India		India	India	
Sales (gross)	13,83,29.21	10,01,89.59	23,85,18.80	11,54,12.39	12,61,48.76	24,15,61.15
Trade receivables and other assets	51,53,62.44	64,07.19	52,17,69.63	50,39,83.56	4,16,45.40	54,56,28.96
Cost incurred for acquisition of Tangible and Intangible assets	1,75,04.04	3,96.48	1,79,00.52	2,95,64.99	37,27.07	3,32,92.06

2.40 In respect of unrealised profits resulting from intragroup transactions that are included in the carrying amount of inventory are eliminated in full. The aforesaid inventory is as certified by the respective management.

2.41 The company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items as per Accounting Standard 11, "The Effects of Changes in Foreign Exchange Rates". During the year ended 31st March, 2015 the net exchange difference of Rs.42,90.69 lakhs (net debit)(previous year Rs.1,23,26.02 lakhs) on foreign currency loans have been adjusted in the carrying amount of fixed assets/Capital work in progress. The unamortised balance is Rs.2,18,54.69 lakhs (previous year Rs.1,77,69.41 lakhs).

Notes on Consolidated Financial Statements

NOTES ON ACCOUNTS (Contd.)

2.42 Related party disclosure as identified by the management in accordance with the Accounting Standard (AS) 18 on "Related Party Disclosures" are as follows :

A) Names of related parties and description of relationship

- | | |
|---|--|
| 1) Associate Company | Srikalahasthi Pipes Limited (Formerly, Lanco Industries Limited)
Electrosteel Steels Limited
Electrosteel Thermal Power Limited
Singardo International Pte Limited (From 1.10.2014 till 31.12.2014) |
| 2) Joint Venture | North Dhadhu Mining Company Private Limited
Domco Private Limited |
| 3) Key Managerial Personnel (KMP) and their relative | Mr. Umang Kejriwal - Managing Director
Mr. Mayank Kejriwal - Joint Managing Director
Mr. Uddhav Kejriwal - Wholetime Director
Mr. Vyas Mitre Ralli - Wholetime Director
Mr. Mahendra Kumar Jalan - Wholetime Director
Ms. Uma Kejriwal- Mother of Mr.Umang Kejriwal - Managing Director (MD) and Mr. Mayank Kejriwal - Joint Managing Director
Umang Kejriwal (H.U.F)
Ms. Priya Manjari Todi - Daughter of Mr. Mayank Kejriwal - KMP/
Sister of Mr. Uddhav Kejriwal - KMP
Mr. Anirudh Jalan - Son of Mr. Mahendra Kumar Jalan - KMP |
| 4) Enterprise where KMP/Relatives of KMP have significant influence or control | Gaushree Enterprises
Wilcox Merchants Private Limited
Tulsi Highrise Private Limited
Sri Gopal Investments Ventures Ltd.
Global Exports Ltd.
Ultimo Logistics Private Limited
Krsna Logistics Private Limited
Radhya Infraserivices Private Limited
G K & Sons Private Limited
Electrosteel Thermal Coal Limited
Electrocast Sales India Limited
Akshay Ispat & Ferro Alloys Pvt. Ltd.
Badrinath Industries Ltd.
Murari Investment & Trading Company Ltd. |

Notes on Consolidated Financial Statements

B) Related Party Transaction

Amount Rs. in lakhs

	Associate	Joint Venture	KMP & Relatives	KMP have control	Total	Outstanding as on 31.03.15	Outstanding as on 31.03.14
Sale							
Singardo International Pte Ltd. *	8,80.73	-	-	-	8,80.73	-	-
Electrosteel Steels Limited	4,36,88.44	-	-	-	4,36,88.44	48,12.72	-
Srikalahasthi Pipes Limited	8,50.99	-	-	-	85,0.99	-	-
Total	4,54,20.16	-	-	-	4,54,20.16	48,12.72	-
Previous Year							
Electrosteel Steels Limited	1,35,27.63	-	-	-	1,35,27.63	-	34,18.50
Srikalahasthi Pipes Limited	30,77.27	-	-	-	30,77.27	-	-
Alkshay Ispat & Ferro Alloys Pvt. Ltd.	-	-	-	-	-	-	4.61
Purchase							
Srikalahasthi Pipes Limited	1,02,62.51	-	-	-	1,02,62.51	36,33.93	-
Electrosteel Steels Limited	55,66.01	-	-	-	55,66.01	5,41.64	-
Gaushree Enterprises	-	-	-	0.32	0.32	-	-
Total	1,58,28.52	-	-	0.32	1,58,28.84	41,75.57	-
Previous Year							
Srikalahasthi Pipes Limited	60,51.38	-	-	-	60,51.38	-	6,20.52
Electrosteel Steels Limited	12,42.29	-	-	-	12,42.29	-	18,90.97
Job Charges Received							
Electrosteel Steels Limited	3,36.50	-	-	-	3,36.50	38.05	-
Total	3,36.50	-	-	-	3,36.50	38.05	-
Previous Year							
Electrosteel Steels Limited	2,12.14	-	-	-	2,12.14	-	-
Job Charges Paid							
Electrosteel Steels Limited	7,51.73	-	-	-	7,51.73	-	-
Total	7,51.73	-	-	-	7,51.73	-	-
Previous Year							
Electrosteel Steels Limited	12,13.47	-	-	-	12,13.47	-	-
Remuneration							
Mr. Umang Kejriwal	-	-	3,08.62	-	3,08.62	1,20.00	-
Mr. Mayank Kejriwal	-	-	80.83	-	80.83	-	-
Mr. Uddhav Kejriwal	-	-	2,09.14	-	2,09.14	85.00	-
Mr. Vyas Mitre Ralli	-	-	1,34.15	-	1,34.15	-	-
Mr. Mahendra Kumar Jalan	-	-	1,35.96	-	1,35.96	-	-
Ms. Priya Manjari Todi	-	-	5.62	-	5.62	-	-
Total	-	-	8,74.32	-	8,74.32	2,05.00	-
Previous Year							
Mr. Umang Kejriwal	-	-	1,77.93	-	1,77.93	-	63.50
Mr. Mayank Kejriwal	-	-	1,78.86	-	1,78.86	-	67.84
Mr. Uddhav Kejriwal	-	-	1,85.17	-	1,85.17	-	51.74
Mr. Vyas Mitre Ralli	-	-	1,27.04	-	1,27.04	-	3.35
Mr. Mahendra Kumar Jalan	-	-	1,30.37	-	1,30.37	-	9.32
Mr. Rama Shankar Singh	-	-	1,09.27	-	1,09.27	-	-
Rent Paid							
Wilcox Merchants Pvt. Ltd.	-	-	-	44.66	44.66	-	-
Tulsi Highrise Private Limited	-	-	-	44.51	44.51	-	-
Sri Gopal Investment Ventures Ltd.	-	-	-	31.50	31.50	-	-
Global Exports Ltd.	-	-	-	15.00	15.00	-	-

Notes on Consolidated Financial Statements

B) Related Party Transaction

Amount Rs. in lakhs

	Associate	Joint Venture	KMP & Relatives	KMP have control	Total	Outstanding as on 31.03.15	Outstanding as on 31.03.14
Smt. Uma Kejriwal	-	-	8.78	-	8.78	-	-
Umang Kejriwal HUF	-	-	8.78	-	8.78	-	-
North Dhadhu Mining Company Pvt Ltd.	-	0.60	-	-	0.60	-	-
Badrinath Industries Ltd.	-	-	-	18.75	18.75	-	-
Total	-	0.60	17.56	1,54.42	1,72.58	-	-
Previous Year							
Global Exports Ltd.	-	-	-	15.00	15.00	-	-
Badrinath Industries Ltd.	-	-	-	15.00	15.00	-	-
Others	-	-	-	86.49	86.49	-	-
Service Charges Paid							
Ultimo Logistics Pvt. Ltd.	-	-	-	11,06.59	11,06.59	-	-
Krsna Logistics Private Limited	-	-	-	4,59.49	4,59.49	60.95	-
Radhya InfraserVICES Private Limited	-	-	-	1,14.39	1,14.39	-	-
Global Exports Ltd.	-	-	-	77.05	77.05	1.88	-
Anirudh jalan	-	-	1.80	-	1.80	-	-
Sri Gopal Investment Ventrues Ltd.	-	-	-	1.06	1.06	-	-
Total	-	-	1.80	17,58.58	17,60.38	62.83	-
Previous Year							
Global Exports Ltd.	-	-	-	75.71	75.71	-	0.05
Loan Taken							
Previous Year							
G. K. & Sons Private Limited	-	-	20,50.00	-	20,50.00	-	-
Reimbursements of expenses paid							
Electrosteel Steels Limited	0.12	-	-	-	0.12	0.12	-
Total	0.12	-	-	-	0.12	0.12	-
Previous Year							
Srikalahasthi Pipes Limited	1.22	-	-	-	1.22	-	-
Electrosteel Steels Limited	0.22	-	-	-	0.22	-	-
Reimbursements of expenses received							
Electrosteel Steels Limited	11,26.50	-	-	-	11,26.50	39.99	-
Srikalahasthi Pipes Limited	52.47	-	-	-	52.47	-	-
Total	11,78.97	-	-	-	11,78.97	39.99	-
Previous Year							
Electrosteel Steels Limited	0.10	-	-	-	0.10	-	-
Srikalahasthi Pipes Limited	13.33	-	-	-	13.33	-	-
Bank Guarantee							
Previous Year							
North Dhadhu Mining Company Pvt. Ltd.	-	-	-	-	-	-	27,45.47
Investment							
Electrosteel Steels Limited	2,22,50.00	-	-	-	2,22,50.00	-	-
Total	2,22,50.00	-	-	-	2,22,50.00	11,82,65.49	-
Security Deposits							
Electrosteel Thermal Coal Ltd.	-	-	-	-	-	1,85.00	-
Sri Gopal Investment Ventures Ltd.	-	-	-	-	-	18.00	-
Total	-	-	-	-	-	2,03.00	-
Previous Year							
Srikalahasthi Pipes Limited	-	-	-	-	-	-	3,632.62

Notes on Consolidated Financial Statements

B) Related Party Transaction

Amount Rs. in lakhs

	Associate	Joint Venture	KMP & Relatives	KMP have control	Total	Outstanding as on 31.03.15	Outstanding as on 31.03.14
Electrosteel Thermal Coal Ltd.	-	-	-	-	-	-	1,85.00
Sri Gopal Investment Ventures Ltd.	-	-	-	-	-	-	18.00
Dividend Received							
Srikalahasthi Pipes Limited	2,89.52	-	-	-	2,89.52	-	-
Total	2,89.52	-	-	-	2,89.52	-	-
Rent Receipts							
G K & Sons Private Limited	-	-	-	3.60	3.60	1.01	-
Srikalahasthi Pipes Limited	0.36	-	-	-	0.36	-	-
Electrocast Sales India Ltd..	-	-	-	3.60	3.60	1.35	-
Electrosteel Steels Limited	0.60	-	-	-	0.60	0.05	-
Total	0.96	-	-	7.20	8.16	2.41	-
Previous Year							
Electrosteel Steels Limited	0.39	-	-	-	0.39	-	-
G. K. & Sons Private Limited	-	-	-	3.60	3.60	-	-
Electrocast Sales India Ltd..	-	-	-	3.60	3.60	-	-
Srikalahasthi Pipes Limited	3.36	-	-	-	3.36	-	-
Advances Given							
Ultimo Logistics Pvt. Ltd.	-	-	-	-	-	23.96	-
Electrosteel Steels Limited	2,24,00.00	-	-	-	2,24,00.00	2,63,73.82	-
Electrosteel Thermal Power Limited	-	-	-	-	-	5.27	-
Electrosteel Thermal Coal Limited	-	-	-	-	-	1.00	-
Krsna Logistics Private Limited	-	-	-	55.00	55.00	-	-
Total	2,24,00.00	-	-	55.00	2,24,55.00	2,64,04.05	-
Previous Year							
Electrosteel Steels Limited	3,18,38.82	-	-	-	3,18,38.82	-	3,11,23.82
Electrosteel Thermal Coal Limited	-	-	-	-	-	-	1.00
Electrosteel Thermal Power Limited	-	-	-	-	-	-	5.27
Interest Paid							
Previous Year							
G.K. & Sons Pvt Ltd	-	-	-	27.04	27.04	-	-
Employee Welfare Expenses							
Gaushree Enterprises	-	-	-	8.05	8.05	2.62	-
Total	-	-	-	8.05	8.05	2.62	-
Equity Share contribution							
G K & Sons Private Limited	-	-	-	12,50.08	12,50.08	-	-
Electrocast Sales India Limited	-	-	-	12,50.08	12,50.08	-	-
Total	-	-	-	25,00.16	25,00.16	-	-
Previous Year							
Electrocast Sales India Limited	-	-	-	8,86.29	8,86.29	-	-

* Ceased to be subsidiary w.e.f 01.10.2014

2.43 The financial statements of North Dhadhu Mining Company Private Limited, Electrosteel Bahrain Holding Company S.P.C. & Electrosteel Brasil Ltda. Tubos e Conexoes Duteis Brazil for the year ended 31st March, 2015 has not been subjected to audit by their auditor. Further the financial statement of Singardo International Pte Limited for the period ended 30th September, 2014 has not been subjected to audit by their auditor

2.44 The Board of Directors of the Company has approved the Scheme of Amalgamation (Scheme) of its wholly owned subsidiary, Mahadev Vyapaar Private Limited with the Company with effect from April 1, 2014. No effect of the Scheme has been given in the Financial Statements pending receipt of necessary approvals.

Notes on Consolidated Financial Statements

2.45 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of the Enterprises	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (Rs. in lakhs)	As % of consolidated profit or loss	Amount (Rs. in lakhs)
1	2	3	4	5
Parent				
Electrosteel Castings Limited	1,20.99	25,04,78.64	-62.60	72,67.16
Subsidiaries				
Indian				
Mahadev Vyapaar Private Limited	-0.01	-12.49	-0.06	6.67
Foreign				
Electrosteel Castings (UK) Limited	0.47	9,82.12	-11.59	13,45.85
Electrosteel Europe S.A.	3.00	62,20.71	-22.83	26,50.66
Electrosteel Algeria SPA	0.32	6,56.79	-3.25	3,77.00
Electrosteel USA, LLC	0.36	7,43.76	-0.49	57.02
Electrosteel Trading S.A. Spain	0.03	66.22	-0.10	11.76
Electrosteel Doha For Trading LLC	0.12	2,52.87	-1.21	1,40.25
Electrosteel Castings Gulf FZE	0.15	3,12.63	-0.56	65.12
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	-0.01	-27.61	0.55	-63.45
Electrosteel Bahrain Holding Company S.P.C	0.20	4,14.41	-	-0.41
Minority Interests in all subsidiaries	-0.01	-22.12	0.11	-13.09
Associates (Investment as per the equity method)				
Indian				
Srikalahasthi Pipes Limited (formerly Lanco Industries Limited)	9.37	1,94,01.18	-33.78	39,20.95
Electrosteel Steels Limited	27.27	5,64,63.68	2,34.09	-2,71,75.63
Electrosteel Thermal Power Limited	-	1.11	-	-0.09
Joint Ventures (as per proportionate consolidation/investment as per the equity method)				
Indian				
North Dhadhu Mining Company Private Limited	0.40	8,26.63	-0.01	1.69

2.45.1 Domco Private Limited has not been consolidated. For reason refer note no 2.12.3

2.45.2 Figures given herein above are as per standalone financial statements of the respective Companies and hence effect of inter Company and other adjustment carried out on consolidation has not been considered for the purpose of above disclosure.

2.46 Figures pertaining to the Subsidiary Companies have been reclassified, wherever necessary to bring them in line with the parents Company's financial statements.


2.47 Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date.

For Lodha & Co.
Chartered Accountants
R. P. Singh
Partner
Kolkata
May 12, 2015

For and on behalf of the Board

Pradip Kumar Khaitan
Chairman
(DIN : 0004821)
Gautam Jhunjhunwala
Chief Financial Officer
Umang Kejriwal
Managing Director
(DIN : 00065173)
Prem Kumar Bafana
Company Secretary,
Legal & Accounts



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