ELECTROSTEEL CASTINGS LIMITED

H.O. : G.K. Tower, 19, Camac Street, Kolkata 700 017, India
Regd. Office : Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017
Tel : +91 33-2283 9900, 7103 4400
CIN : L27310OR1955PLC000310
Web : www.electrosteelcastings.com

PIONEERING 25 YEARS OF DI PIPES

24 August 2019

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
Scrip Code: 500128	Symbol: ELECTCAST

Dear Sir/ Madam,

Sub: Submission of the Annual Report of the Company for the Financial Year 2018-19 along with Notice of 64th Annual General Meeting of the Company and intimation of cut-off date for e-voting

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report of the Company for the Financial Year 2018-19 along with Notice of the 64th Annual General Meeting (AGM) of the Company along with attendance slip and proxy form. The AGM of the Company is scheduled to be held on Friday, 20 September 2019 at 11.30 a.m. at the Registered Office of the Company i.e. at Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017.

The Annual Report and the Notice is also being uploaded on the website of the Company at www.electrosteelcastings.com.

Please be informed that the Company has fixed 13 September 2019 as the cut-off date to determine the entitlement of voting rights of the Members eligible to vote either through remote e-voting or by physical ballot at the AGM. The Company has availed e-voting services from National Securities Depository Limited to provide e-voting platform to the Members of the Company.

The remote e-voting period commences on 17 September 2019 at 9.00 a.m. and ends on 19 September 2019 at 5.00 p.m.

This is for your information and records.

Thanking You,

Yours Faithfully,

For Electrosteel Castings Limited

ELECTROSTEEL CASTINGS LIMITED

Indranil Mitra
Company Secretary

Encl: As above

64th Annual Report 2018-2019

ELECTROSTEEL
CASTINGS LIMITED

Corporate Information

Chairman	Mr. Pradip Kumar Khaitan
Directors	Mr. Binod Kumar Khaitan Mr. Ram Krishna Agarwal Mr. Amrendra Prasad Verma Dr. Mohua Banerjee Mr. Shermadevi Yegnaswami Rajagopalan Mr. Vyas Mitre Ralli
Managing Director	Mr. Umang Kejriwal
Joint Managing Director	Mr. Mayank Kejriwal
Whole-time Directors	Mr. Uddhav Kejriwal Mr. Mahendra Kumar Jalan
Chief Executive Officer	Mr. Sunil Katial
Chief Financial Officer	Mr. Brij Mohan Soni (up to 24 July 2019)
Executive Director (Group Finance) & CFO	Mr. Ashutosh Agarwal (w.e.f. 13 August 2019)
Company Secretary	Ms. Subhra Giri Patnaik (up to 12 August 2019) Mr. Indranil Mitra (w.e.f. 13 August 2019)
Auditors	Singhi & 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 Limitsed IndusInd Bank Limited Punjab National Bank State Bank of India 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.electrosteelcastings.com
Registered Office	Rathod Colony, Rajgangpur, 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 Sixty Fourth Annual Report together with Audited Annual Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31 March 2019.

FINANCIAL RESULTS (Rs. in Crore)

Particulars	Standalone		Consolidated	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Revenue from Operations	**2,390.61**	2,026.08	**2,699.44**	2,268.36
Earnings Before Interest, Taxes, Depreciation, Amortisation and Exceptional Item	**410.78**	305.13	**451.59**	337.21
Less : Finance Costs	**225.40**	202.32	**234.65**	210.28
Less : Depreciation and Amortisation expense	**54.82**	59.22	**58.51**	62.40
Profit Before Exceptional Item & Tax	**130.56**	43.59	**158.43**	64.53
Less: Exceptional Item	789.90	–	183.97	–
Profit / (Loss) Before Tax	**(659.34)**	43.59	**(25.54)**	64.53
Less : Tax Expense	**(23.48)**	(3.40)	**(18.00)**	(1.08)
Profit / (Loss) After Tax	**(635.86)**	46.99	**(7.54)**	65.61
Share of Profit/(Loss) in Associates and Joint Ventures	**–**	–	**46.20**	58.58
Profit / (Loss) After Tax including share of Associate and Joint Ventures	**(635.86)**	46.99	**38.66**	124.19
Attributable to :				
Owners of the Parent	**–**	–	**38.17**	124.03
Non-Controlling Interest	**–**	–	**0.49**	0.16
Other Comprehensive Income (net of tax)	**(3.32)**	1.94	**(3.69)**	(8.75)
Total Comprehensive Income	**(639.18)**	48.93	**34.97**	115.44
Attributable to :				
Owners of the Parent	**–**	–	**34.48**	115.28
Non-Controlling Interest	**–**	–	**0.49**	0.16
Opening balance in Retained Earnings	**1,087.86**	1,060.75	**656.49**	552.48
Profit / (Loss) for the period	**(635.86)**	46.99	**38.17**	124.03
Re-measurement of defined benefit plans	**1.22**	0.10	**1.22**	0.10
Dividend including dividend distribution tax	**(14.66)**	(21.48)	**(14.66)**	(21.48)
Transfer to Debenture Redemption Reserve	**–**	–	**–**	–
Transfer from Debenture Redemption Reserve	**62.50**	–	**62.50**	–
Transfer to Statutory Reserve	**–**	–	**(1.28)**	(0.14)
Transfer to General Reserve	**–**	–	**–**	–
State capital investment subsidy	**–**	1.50	**–**	1.50
Closing Balance in Retained Earnings	**501.06**	1,087.86	**742.44**	656.49

DIVIDEND

In view of absence of distributable profits, your Directors are unable to recommend any dividend for the year under review.

TRANSFER TO RESERVES

In view of losses incurred by your Company during the year, no amount has been transferred to the General Reserve for the Financial Year ended 31 March 2019.

OPERATIONS

The Company's Revenue from Operations on standalone basis was reported at Rs.2,390.61 Crores during the year under review as compared to Rs.2,026.08 Crores reported in the previous year. The Export sales increased by around 71% from Rs.610.22 Crores in 2017-18 to Rs.1,046.82 Crores in 2018-19, due to increase in volume of sales and selling price. The Company's profit / (loss) after tax (PAT) for the Financial Year 2018-19 was reported at Rs.(635.86) Crores as against Rs.46.99 Crores for Financial Year 2017-18. During the year, there was an exceptional loss of Rs.789.90 Crores on account of fair valuation of investment in the shares of Electrosteel Steels Limited and advance and trade receivables written off as per approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated 10 August 2018.

The Revenue from Operations on consolidated basis, for the year ended 31 March 2019 increased by 19% from Rs.2,268.36 Crores in 2017-18 to Rs.2,699.44 Crores in 2018-19. The consolidated PAT for the year ended 31 March 2019 was Rs.38.66 Crores as against PAT of Rs.124.19 Crores for the previous Financial Year.

During the year under review, the production of Ductile Iron (DI) Pipes was 3,03,838 MT, as against 2,92,714 MT in the previous year. The production of Cast Iron (CI) Pipes at Elavur was 31,930 MT as against 18,616 MT in the previous year.

DI Fittings & Accessories produced 12,085 MT of DI Fittings in 2018-19 as against 9,498 MT in 2017-18. Production, productivity, product variety & quality and despatch, etc., have been improved at both Haldia and Khardah Fittings Plant. Both Domestic and Export despatch of Fittings from Haldia and Khardah Plant has enhanced. Further initiative has been taken for improvement in the current Financial Year also.

The Company continues to provide special attention towards improvement in production and productivity with higher energy efficiency. Further, to meet and improve upon the expectations of both International and Domestic customers, the Company has continued its activities towards development and to add a number of product variants to its existing product base.

MATERIAL CHANGES AND COMMITMENTS

There has 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.

There has been no change in the nature of business.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report forms an integral part of this Report and gives details of the industry structure, developments, opportunities, threats, performance and state of affairs of the Company's business, internal controls and their adequacy, risk management systems including a section on 'Risk Management' and other material developments during the Financial Year 2018-19, is annexed as Annexure 1 forming part of this Report.

Report of the Directors ..... *(Contd.)*

FUTURE PROSPECTS

Water and sewerage infrastructure development in Indian urban and rural sector has been the key engine of growth acceleration for the DI Pipe Industry. With the growth of economy, India's urbanization trends have scope to significantly accelerate in coming years. Further, the country faces immense task of transporting drinking water with a limited treatment facility and inadequate transmission and distribution network. Rapidly growing urban centers also have limited infrastructure for waste water disposal. As a whole, the Indian water and waste water market is having a CAGR of about 10%.

To improve and sustain the water availability, the Central Government as well as the respective State Governments have initiated a number of major urban development schemes to transform the urban scenario of the country, resulting in large investment in the Water Supply & Sewerage System. A major Initiative is AMRUT Yojna (Atal Mission for Rejuvenation and Urban Transformation). Under AMRUT, 500 Small City is undergoing infrastructure revamping. A major part of the investment will be spent on Water Supply and Sewerage. Another 20,000 Crores will be spent under the 'Namami Gange Programme' where cities on the bank of river Ganga and its tributaries will have modern Waste Water conveyance and treatment facilities to make the rivers clean.

At the same time, the Company continues to maintain its dominant position in the export market against competitors. The world economy is on the revival phase and a large portion of the production is being exported. The Company, after entrenching itself in the discerning European and gulf markets, is continuously expanding the business to new countries like Tanzania, Zambia, Congo, Nigeria, Senegal, Morocco in Africa, Vietnam, Cambodia, Myanmar in South East Asia.

SHARE CAPITAL

During the year under review, the Company had issued and allotted 4,85,26,861 Equity Shares of face value of Re.1/- each fully paid-up at a price of Rs.28.85 per Equity Share (inclusive of a share premium of Rs.27.85 per Equity Share), on preferential basis to promoter and non-promoter for cash consideration of Rs.140 Crores approx. Pursuant to the above allotment, the Issued, Subscribed and Paid-up Share Capital of the Company has increased to Rs.40,54,82,183/- comprising of 40,54,82,183 Equity Shares of Re.1/- each.

The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company. As on 31 March 2019, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

FINANCE

Debentures

The Company has redeemed the following Secured Redeemable Non-Convertible Debentures (NCDs) during the Financial Year 2018-19:

Series of Debentures	**Amount (Rs. in Crore)**
Series IV – 11.00%	50.00
Series VI – 11.75%	125.00
Series VII – 12.00%	75.00
Total	**250.00**

The Company had been regular in payment of interest on its NCDs.

Credit Rating

CARE Ratings Limited ('CARE') has reaffirmed the Company's credit rating for the long-term borrowings as "CARE BBB+" and for short-term borrowings as "CARE A2". The outlook is Stable.

During the year, India Ratings & Research Private Limited has assigned a long term Issuer Rating of "IND A-" and for short term borrowings as "IND A2+". The outlook is Stable.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS

During the year under review, there were no significant or material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

However, in pursuance of the Order dated 24 September 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, had been cancelled w.e.f. 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 said block had been handed over to Bharat Coking Coal Limited as per the direction from Coal India Ltd. with effect from 1 April 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Company, the Hon'ble High Court at Delhi has pronounced it's judgement on 9 March 2017. Accordingly based on the said judgement, the Company has claimed Rs.1,53,176.00 Lakh towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company before the Hon'ble High Court, the Hon'ble Court had directed the Nominated Authority under Ministry of Coal to expedite the matter. The Hon'ble Court had further directed the Nominated Authority to take decisions within a specific time frame. During the year, the Nominated Authority in its order has upheld its decision of the compensation paid earlier and the same has been contested by the Company before the Hon'ble High Court and the matter is pending.

Members' attention is also invited to Notes on Contingent Liabilities, in the notes forming part of the Financial Statements.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Internal Financial Controls with reference to the Financial Statements are considered to be commensurate with the size, scale and nature of the operations of the Company. The system encompasses the major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws, and regulations, safeguarding of assets and economical and efficient use of resources. There are 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 pre-approved Delegation of Authority (DOA) schedule which is in-built into the SAP system wherever required. DOA is reviewed periodically by the management and compliance of DOA is regularly checked 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. There is adequate MIS (Management Information System) which is reviewed periodically with functional heads.

The Internal Auditors of the Company 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. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. 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 Audited Annual Consolidated Financial Statements forming part of the Annual Report have been prepared, in accordance with the Companies Act, 2013 ('the Act'), Indian Accounting Standards (Ind AS) 110 –'Consolidated Financial Statements' and Indian Accounting Standards (Ind AS) 28 – 'Investments in Associates and Joint Ventures', notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

Report of the Directors ..... *(Contd.)*

The Company had the following Subsidiaries, Associate Companies and Joint Ventures as on 31 March 2019:

Sl. No.	Name of the Company	Status
1.	Electrosteel Algerie 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.	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
12.	Electrosteel Bahrain Trading W.L.L (subsidiary of Electrosteel Bahrain Holding S.P.C. Company)	Subsidiary
13.	Electrosteel Thermal Power Limited	Associate Company
14.	Srikalahasthi Pipes Limited	Associate Company
15.	North Dhadhu Mining Company Private Limited	Joint Venture
16.	Domco Private Limited	Joint Venture

During the year under review, Electrosteel Steels Limited ceased to be an Associate Company of the Company, with effect from 6 June 2018.

A Report on the highlights of the performance of each of the Company's subsidiaries, associates and joint ventures and their contribution to the overall performance of the Company for the Financial Year ended 31 March 2019 pursuant to the provisions of Section 129(3) of the Act, read with Rule 8 of the 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 2019, pursuant to the said Section, read with Rule 5 of the said Rules, are given along with the Standalone Financial Statement.

In accordance with Section 136 of the Act, the Audited Financial Statements, including the Consolidated Financial Statements and related information of the Company, and Audited Accounts of each of its subsidiaries are available on the website of the Company, www.electrosteelcastings.com. These documents will also be available for inspection during business hours by the Members at the Registered Office of the Company.

STATUS OF AMALGAMATION OF MAHADEV VYAPAAR PVT LTD

The Board of Directors of the Company, at its meeting held on 11 August 2014 had approved the Scheme of Amalgamation (the Scheme) of its wholly owned subsidiary, Mahadev Vyapaar Pvt Ltd (MVPL) with the Company with effect from 1 April 2014 ("Appointed Date"). MVPL had filed an application before the Hon'ble High Court at Calcutta, which has sanctioned the said Scheme on 18 November 2015 and the certified copies of order sanctioning the Scheme had been filed by MVPL with the Registrar of Companies, West Bengal.

In the meanwhile, the Ministry of Corporate Affairs vide notification dated 7 December 2016 enforced the Companies (Transfer of Pending Proceedings) Rules, 2016 with effect from 15 December 2016, whereby all proceedings under the erstwhile Companies Act, 1956, including proceedings relating to arbitration, compromise, arrangements and reconstruction, other than proceedings relating to winding up on the date of coming into force of these rules, stood transferred to the Benches of the National Company Law Tribunal (NCLT) exercising respective territorial jurisdiction. With the formation of NCLT, Cuttack Bench, the Hon'ble High Court at Orissa has by an order passed on 19 April 2019 disposed off the same by directing transfer of the said petition to NCLT, Cuttack Bench. The NCLT, Cuttack Bench, will now take up the matter.

REPORT ON CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). A Report on Corporate Governance for the year under review along with the Certificate from the Auditors confirming compliance with the conditions of Corporate Governance, is annexed as Annexure 3 forming part of this Report.

MEETINGS OF THE BOARD

During the Financial Year 2018-19, 9 (nine) Board Meetings were held, the details of which are given in the Corporate Governance Report forming part of this Report and annexed as Annexure 3.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Nityangi Kejriwal Jaiswal (DIN: 07129444), Non-Executive Director, resigned from the Board of the Company, with effect from 29 January 2019. The Board places on record its appreciation and gratitude for the valuable contributions made by her during her tenure as Director on the Board of the Company.

Dr. Mohua Banerjee (DIN: 08350348) has been appointed as the Additional Director (Independent) on the Board of the Company with effect from 8 February 2019 for a term of 5 (five) consecutive years, subject to the approval of appointment and regularization by the Members of the Company at the ensuing Annual General Meeting of the Company. A declaration has been received from Dr. Banerjee that she satisfies the criteria of Independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Company has also received a notice under Section 160 of the Act from a Member proposing her appointment as an Independent Director of the Company and the same has been included in the notice of the forthcoming AGM.

Further, the Members of the Company, at their Extra-Ordinary General Meeting held on 11 August 2018, re-appointed Mr. Uddhav Kejriwal (DIN: 00066077) as the Whole-time Director of the Company for a period of 5 (five) years with effect from 16 June 2018.

Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000) and Mr. Uddhav Kejriwal (DIN: 00066077), Directors of the Company, retire by rotation at the forthcoming AGM and being eligible, offer themselves for re-appointment.

The present term of appointment of Mr. Mahendra Kumar Jalan (DIN: 00311883) as the Whole-time Director is valid up to 21 January 2020. The Board has, based on the recommendation of Nomination and Remuneration Committee has approved the re-appointment of Mr. Jalan, as the Whole-time Director, for a further term of 5 (five) consecutive years, with effect from 22 January 2020, subject to the approval of the Members at the ensuing 64th AGM.

In compliance with Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meetings, brief resume and other information of all the Directors proposed to be appointed and re-appointed are given in the Notice for the forthcoming AGM.

Mr. Sunil Katial was appointed as the Chief Executive Officer of the Company with effect from 29 January 2019. There were no other changes in Key Managerial Personnel (KMP) during the year.

Report of the Directors ..... *(Contd.)*

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Act, the Directors state that:

a) in the preparation of annual accounts for the Financial Year ended 31 March 2019, the applicable accounting standards have been followed and there were no material departures requiring any explanation;

b) they have 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 loss of the Company for that period;

c) they have 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 have prepared annual accounts on a 'going concern' basis;

e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

f) they have 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 Kumar Khaitan, Mr. Ram Krishna Agarwal, Mr. Amrendra Prasad Verma and Dr. Mohua Banerjee, Independent Directors, have given declarations that they meet the criteria of independence as laid down in the Act and the Listing Regulations.

DETAILS OF BOARD COMMITTEES & ADOPTION OF POLICIES

There are 6 Board Committees as on 31 March 2019, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Banking and Authorisation Committee and Governance Committee.

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

The Banking and Authorisation Committee comprised of Mr. Binod Kumar Khaitan as the Chairman with Mr. Shermadevi Yegnaswami Rajagopalan, Mr. Mayank Kejriwal and Mr. Uddhav Kejriwal as its members as on 31 March 2019. The terms of reference for the Committee include taking various decisions pertaining to the opening or closing of bank and demat accounts of the Company, change in authorised signatories for operation of different bank and demat accounts, subscribing/purchasing/selling/dealing in securities of Companies other than related parties and availing broking services, making loans from time to time to subsidiary companies/Joint Ventures/Associates for its working capital requirement, giving guarantee or providing security to any bank in connection with fund based/non-fund based facilities including loan(s) made to Subsidiary Company/Joint Venture/Associate Company by such bank and any other work related to day-to-day operations of the Company.

The Governance Committee comprised of Mr. Binod Kumar Khaitan as the Chairman with Mr. Mahendra Kumar Jalan and Dr. Mohua Banerjee as its members as on 31 March 2019. The terms of reference for the Committee inter-alia include formulating a governance policy and recommending it to the Board for approval, assisting the Board in its ongoing oversight of the quality of governance in the Company and its subsidiaries, monitoring the developments in governance practices of the Company and its subsidiaries and report appropriately to the Board, with recommendations, advising the Board or any committees of the Board of any corporate governance issues in the Company and its subsidiaries, which the Committee determines has a negative impact on the Company's ability to safeguard or improve shareholder value and carrying out any other function as is decided by the Board of Directors of the Company from time to time.

Vigil Mechanism

The Company has adopted Whistle Blower Policy and established a Vigil Mechanism in compliance with provisions of the Act and the Listing Regulations for the Directors and employees to report genuine concerns and grievances and leak/suspected leak of Unpublished Price Sensitive Information. This mechanism provides adequate safeguards against victimisation of employees and Directors and also provides for direct access to the Chairperson of the Audit Committee. The Company oversees the vigil mechanism through the Audit Committee of the Company. The said Policy is available at the Company's website and can be accessed at https://www.electrosteelcastings.com/investors/pdf/Vigil-Mechanism-Whistle-Blower-Policy.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 Regulation 19 read with Part D of Schedule II to the Listing Regulations. The Policy governs the criteria for determining qualifications, positive attributes and independence of a Director and lays down the remuneration principles for Directors, Key Managerial Personnel and other employees.

The Policy aims to enable the Company to attract, retain and motivate highly qualified members for the Board, Key Managerial Personnel (KMP) and other employees. It enables the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations. The policy ensures that the interests of Board members, KMP & 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 and the remuneration to directors, KMP and employees involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The policy lays down the procedure for the selection and appointment of Board Members and KMP and also the appointment of executives other than Board Members, compensation structure for Executive Directors, Non-Executive Directors, KMP and other employees.

During the year under review, the Board of Directors amended the Nomination and Remuneration Policy of the Company to bring it in line with the recent amendments to Section 178 of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations. The Nomination and Remuneration Policy is available at the Company's website and can be accessed at https://www.electrosteelcastings.com/investors/pdf/nominationRemunerationPolicy.pdf.

Corporate Social Responsibility Policy

In accordance with the requirements of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has a Corporate Social Responsibility (CSR) Committee in place. The CSR Committee has developed and implemented the Corporate Social Responsibility Policy. A Report on CSR activities/initiatives which includes the contents of the CSR Policy, composition of the Committee and other particulars as specified in Section 135 of the Act, read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, are disclosed in Annexure 4 to this Report.

Report of the Directors ..... *(Contd.)*

Policy on Board Diversity and Succession Planning for the Board of Directors and Senior Management

A Policy on Board Diversity and Succession Planning for the Board of Directors and Senior Management as devised by the Nomination and Remuneration Committee is in place, to ensure adequate diversity in the Board of Directors of the Company and for orderly succession for appointments on the Board of Directors and Senior Management. During the year under review, the Board of Directors amended the said Policy to bring it in line with the recent amendments to the Listing Regulations.

FORMAL ANNUAL EVALUATION OF PERFORMANCE

The Nomination and Remuneration Committee of the Board has formulated and laid down Criteria and Manner for Evaluation of Performance, specifying the criteria for performance evaluation of the Board, its Committees and individual Directors and manner for performance evaluation pursuant to provisions of Section 178 of the Act and Listing Regulations, and as per requirements of Section 134 of the Act, the manner in which formal annual evaluation has been made is disclosed below –

A. The Board evaluated on the roles, functions and duties performed by the Independent Directors (IDs) of the Company. Each ID was evaluated by all other Directors but not by the Director being evaluated. The Board also reviewed the manner in which IDs follow guidelines of professional conduct as specified in Schedule IV to the Act. The adherence to Section 149 of the Act, the aforesaid Schedule IV, the Listing Regulations and other applicable provisions of law by the IDs were also reviewed by the Board.

B. Performance review of all the Non Independent Directors of the Company was made on the basis of the activities undertaken by them, expectations of Board, level of participation, roles played by them, leadership qualities and their overall performance and contribution in the development and growth of the business and operations of the Company.

C. The Board evaluated the performance of its Committees on the basis of the processes and procedures followed by them for discharging their functions & duties as per their respective terms of references and as assigned by the Board and laws applicable, their independence from the Board and on the effectiveness of the suggestions and recommendations made by them to the Board. The Board observed the size, structure and expertise of the Committees to be appropriate and in compliance with the Act and the Listing Regulations.

D. The Board evaluated its own performance on the basis of its composition having the right mix of knowledge, skills and expertise required to drive organizational performance and conduct of its affairs effectively, monitoring of Company's performance along with the ability to understand and deal with factors having a significant bearing, developing suitable strategies and business plans at appropriate time and monitoring its effectiveness, implementation of policies and procedures for proper functioning of the Company, frequency of its meetings, efforts made by the Board Members to keep themselves updated with the latest developments in areas.

The evaluation of performance of Board, it's Committees and of individual Directors was found to be satisfactory.

Meeting of Independent Directors: The Independent Directors of the Company held a separate meeting without the attendance of Non-Independent Directors and members of the 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 the Listing Regulations.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) 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 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] (the Rules) are provided in Annexure 5A to this Report. However, as per the provisions of Section 136 of the Act, the Reports and Accounts for the Financial Year 2018-19 are being sent to the Members and others 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 5B to this Report.

AUDITORS AND AUDITORS' REPORT

M/s. Singhi & Co., Chartered Accountants (Firm Registration Number 302049E), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 62nd Annual General Meeting (AGM) till the conclusion of the 67th AGM of the Company.

The para wise responses of the management to the opinion/remarks/observations made in the Independent Auditors' Report on the financial statements of the Company for the year ending 31 March 2019 are given below:

1. As regards the Qualified Opinion expressed by the Auditors in their Report under para (a) under the head 'basis of qualified opinion' and its consequential references made in para nos. 2 (d), (e), (g) and (j)(i) under the head 'Report on Other Legal and Regulatory Requirements' of their Report and para (I)(b) and (II)(a) of the Annexure A to the Auditors' Report of even date, attention is drawn to Note no. 47 of the Standalone Financial Statement, which are self-explanatory;
2. With respect to the Qualified Opinion expressed by the Auditors in their Report under para (b) under the head 'basis of qualified opinion', attention is drawn to Note no. 7A.2 of the Standalone Financial Statement, which are self-explanatory;
3. On the Auditors' observation made in para (I)(a) of the Annexure A to the Auditors' Report of even date, your Directors wish to inform that all necessary steps are being taken to regularise the maintenance of proper records for furniture and fixtures.

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Act, therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

COST AUDITORS

The Company is required to maintain cost records for Pig Iron, DI Pipe, DI Fittings, CI Pipe, Coke, Sponge Iron & Power Generating units for every Financial Year, as specified by the Central Government under Section 148(1) of the Act, and accordingly such accounts and records are made and maintained in the prescribed manner. Further, pursuant to Section 148 of the Act read together with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to carry out audit of the cost accounting records of the Company.

The Cost Audit Report and a Compliance Report for the Financial Year 2017-18 were filed on 24 August 2018.

M/s. S G & Associates (Firm Registration Number 000138), Cost Accountants, Kolkata, has been re-appointed as Cost Auditors for Financial Year 2019-20 for all the applicable units and products of the Company. The remuneration proposed to be paid to them for the Financial Year 2019-20 requires ratification of the shareholders of the Company. In view of this, the ratification for payment of remuneration to the Cost Auditors is being sought at the ensuing AGM.

Report of the Directors ..... *(Contd.)*

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 to conduct the Secretarial Audit of the Company for the Financial Year 2018-19. The report of the Secretarial Auditor is annexed as Annexure 6 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has also re-appointed M/s. S. M. Gupta & Co., Practicing Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2019-20.

INTERNAL AUDITORS

In terms of the provisions of Section 138 of the Act, M/s. Ernst & Young LLP were appointed as the Internal Auditor of the Company for the Financial Year 2018-19. 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.

The Board has re-appointed M/s. Ernst & Young LLP, as the Internal Auditor for the Financial Year 2019-20 under the provisions of Section 138 of the Act.

PUBLIC DEPOSITS

During the Financial Year 2018-19, the 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, guarantees and investments covered under the provisions of Section 186 of the Act are given in Note no. 55.3 to the Standalone Financial Statements of the Company.

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 2019 in Form MGT 9 is annexed as Annexure 7 to this Report.

The extract of the Annual Return of the Company can also be accessed on the website of the Company at https://www.electrosteelcastings.com/investors/pdf/Extract-Annual-Return-MGT-9.pdf.

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 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committees is in place to redress complaints received regarding sexual harassment. The Company has not received any complaint of sexual harassment during the Financial Year 2018-19.

RELATED PARTY TRANSACTIONS

The Company has entered into contracts/arrangements with the related parties during the Financial Year 2018-19, 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 in Form AOC-2 is not required. However, your attention is drawn to the Related Party disclosure in Note no. 55 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 https://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 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as Annexure 8 and forms a part of this Report.

DISCLOSURE ON THE COMPLIANCE OF SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

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

	Umang Kejriwal	Mahendra Kumar Jalan
Place: Kolkata	Managing Director	Whole-time Director
Date: 15 May 2019	DIN: 00065173	DIN: 00311883

Annexure – 1

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 is the home to nearly a fifth of the world's population, has only 2.5 percent of the world's land area and 4 percent of the world's water resources. Precipitation in the form of rain and snowfall provide over 4,000 trillion litres of fresh water to India. Most of this freshwater returns to the seas and ocean via the many large rivers flowing across the subcontinent. A portion of this water is absorbed by the soil and is stored in underground aquifers. A much smaller percentage is stored in inland water bodies both natural (lakes and ponds) and man-made (tanks and reservoirs). With limited water storage, purification and distribution infrastructure, India faces a daunting task to take water to the door step of its 1.37 billion people.

The Drinking Water Sector

India is growing at a phenomenal rate and it is one of the fastest growing large economy in the world. The growth in Gross Domestic Product (GDP) of the country is sustaining steadily for more than a decade now. With economic upliftment, rapid urbanization is taking place all over India, where villages are being transformed to towns, towns into cities and cities into megacities. As a result, the demand for water has been increasing at a high pace in the past few decades.

One solution is piped supply of surface water in usable form. At the same time disposal need of used water is also growing simultaneously, warranting more investment in the sewerage and waste water sector. DI Pipes are one of the most preferred pipe material for safe conveyance of drinking water.

Irrigation Sector

India has a highly seasonal pattern of rainfall and comparatively lower storage capacity. Vast areas of the country is dependent on irrigation for sustain farming activity and food production. Until recent past, irrigation in India was mainly canal based. But due to problems being faced for land acquisition and to minimise transmission loss due to percolation and evaporation, Government is stressing more and more on piped irrigation, throwing huge scope for use of DI Pipes. A number of states has already started implementing piped irrigation projects.

Industrial Water

India's GDP growth is largely fuelled by industrial activities and industry needs large quantity of water to run. The pipe demand for industrial water supply is also growing with more industrialization. The real estate industry has also seen rapid growth in recent years.

As a result, the Indian pipe business for water and waste water is growing rapidly and the demand for DI Pipes, in particular, is on a rise due to its high dependability and high durability. DI Pipes in view of its inherent features like high mechanical strength, better pressure bearing ability, higher corrosion and abrasion resistance, easy laying and long service life, is the preferred choice over other types of pipes for water and sewerage transportation.

Management Discussion ..... *(Contd.)*

⏮ Demand drivers for DI Pipes

The following factors will continue to drive the demand for DI Pipes:

1. Thrust of the Government to provide drinking water and sanitation to 100% of the population and making funds available to achieve it.
2. Rapid urbanisation is taking place all over the country. At present, 31% of the population lives in the urban areas which is going to touch 40% by 2030.
3. Huge investment in piped irrigation projects and rising demand for industrial water.
4. The 500 numbers of Atal Mission for Rejuvenation and Urban Transformation Yojna schemes and 100 smart city project launched by the Government resulting in a surge in demand for the products.
5. India, at present, has a shortage of 59 million houses and needs additional 51 million houses (total 110 million) by 2022. This will need water.
6. Low cost housing and rural housing is picking up in a big way after the recent announcement of subsidy by the Prime Minister.
7. More utilities are focussing on life cycle cost rather than initial cost to have a more durable water supply solution.

⏮ FY 2018-19 vs. FY 2017-18

The Company's Revenue from Operations was reported at Rs.2,390.61 Crore during the year under review as compared to Rs.2,026.08 Crore reported in the previous year. The Export sales increased by around 71% from Rs.610.22 Crore in 2017-18 to Rs.1,046.82 Crore in 2018-19, due to increase in volume of sales and selling price. The Company incurred loss of Rs. 635.86 Crore for the FY 2018-19 as against profit of Rs.46.99 Crore for FY 2017-18.

B. PRODUCT WISE PERFORMANCE

⏮ Ductile Iron (DI) Pipes

The Ductile Iron Pipe Plant, with a total capacity of 2,80,000 TPA produced 3,03,838 MT of DI Pipes during the year 2018-19 compared to 2,92,714 MT in 2017-18. Initiatives continue by the Company to sustain improving productivity and product quality.

The main raw materials used in the production of DI Pipes are Iron Ore and Coke. Iron Ore is mainly procured from Odisha and Jharkhand and Coke is captively produced at Haldia. The DI Pipes produced by the Company are sold in India and globally. The sale of DI Pipes contributed to 67.90% of the total revenues of the Company during the year amounting to Rs.1,622.91 Crore.

⏮ Cast Iron (CI) Pipes

The Cast Iron Pipe Plant, with a total capacity of 1,08,000 TPA produced 31,930 MT of CI Pipe in 2018-19 compared to 18,616 MT in 2017-18. Inspite of improvement in demand in 2018-19, the capacity utilisation was much lower as the demand for Cast Iron Pipes remains low.

The main raw material used in the production of CI Pipe is Pig Iron, which is obtained from domestic sources. The CI Pipe produced by the Company is sold mainly to the states in Southern India. The sale of CI Pipe contributed Rs.154.10 Crore to the total revenues of the Company during the year.

⏮ DI Fittings & Accessories

The Company produced 12,085 MT of DI Fittings in 2018-19 as against 9,498 MT in 2017-18. The Company has taken initiatives for higher utilisation of capacity at it's Haldia Works and improving the performance of this division. Initiative continued to improve productivity. The sale of DI Fittings and Accessories contributed to Rs.253.50 Crore in the total revenues of the Company during the year.

Power Plant

12 MW Power Plant at Haldia has generated 80.80 million units out of which 49.70 million units were transmitted to SEB grid in 2018-19 as against generation of 90.50 million units and transmission of 60.59 million units in 2017-18. Generation in third quarter of 2018-19 was lower because of planned shut-down for major overhauling of Turbo Generator Set and rebuilding of Power Plant Chimney.

Captive Coke Oven Plant

The Coke Oven Plant, with a total capacity of 2,25,000 TPA at Haldia, produced 1,80,646 MT of Metallurgical Coke in 2018-19 against 1,50,747 MT in 2017-18, mainly for captive consumption in Blast Furnace at Khardah Works. The production was higher as the market demand for surplus, after meeting the captive requirements, was better during second half of 2018-19. The primary raw material for producing Coke that is Coking Coal was imported mainly 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, Fittings 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 and cost saving measures in the operations.

The Ministry of Mines, Government of India accorded the approval under Section 5(1) of the Mines and Minerals (Development and Regulation) Act, 1957 for grant of mining lease over an area of 192.50 ha in Village - Dirsumburu of Kodolibad forest in District - West Singhbhum, Jharkhand in the year 2006. The Company had received 1st stage forest clearance and 2nd stage forest clearance is pending with Ministry of Environment, Forest & Climate Change (MOEFCC) since September 2014 for want of "Carrying Capacity Study of Saranda by the MOEFCC". As per amended MMDR Act 2015, the sunset date of lease execution was 11 January 2017. The Company filed a writ petition before the Hon'ble High Court of Jharkhand on 10 January 2017, praying inter-alia for direction for grant of said lease in favour of the Company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, admitted the said petition and matter is pending before the Court.

Exports

Export markets continue to remain challenging mainly due to lack of economic growth, except some markets. Brexit, elections and unstable governments in West European countries continues to be a problem, although Gulf countries have shown better demand. Continuing Anti-dumping/Anti-subsidy duties on DI Pipes in Europe and delays in the refund process are putting pressure.

The Company's efforts in the African and American countries is giving results where it is regularly selling its products. New and innovative products in terms of joints, lining and coatings are helping the Company stay ahead of competition. The Company is also trying to improve the performance by reducing costs and price increase in the areas wherever possible.

Quality and Approvals

While productivity remains the focus of the Company, Quality remains the essence. The Company is dedicated to affirm the strong quality perception attached to its brand. To improve the faith of the customers, the Company in addition of retaining the approval of DVGW of Germany, OVGW of Austria, BSI (UK), IGH (Croatia), UL (USA), FM (USA), NSF, is in the process of taking the approval from BV, Italy also.

All these are helping the Company to increase its customer base and new markets are opened in Somalia, Rwanda, Bolivia, Saint Martin, etc.

A Quality product cannot be assured without proper system and for that Company maintains ISO 9001 (Quality Management System), ISO 14001 (Environment Management System), OHSAS 18001 (Occupational Health and Safety Assessment Series) and SA 8000 (Social Accountability).

Management Discussion ..... *(Contd.)*

The Company takes care of the environment and proper utilisation of power is a focus and is certified ISO 50001 by BSI.

C. OPPORTUNITIES AND THREATS

Opportunities

To sustain the anticipated growth in GDP, India needs to continuously upgrade its basic infrastructure. Water supply and irrigation are two major areas of this endeavor. With increasing governmental expenditure and increasing demand for pipes in the municipal water supply & sewerage sector, irrigation sector and power & industry sector, the future of DI Pipe Industry appears to be bright. The Government of India is continuing considerable investments in Smart City and AMRUT projects which is pushing the demand for pipe upwards. Urban sewerage system is being revamped in most cities which will require more pipes. The focus of the Government on rural water management will also be a contributing factor. Due to land acquisition problem, more piped water irrigation projects are coming up. Improved product features, proven quality and sound engineering back-up in providing before sales and after sales solution, put Electrosteel in an advantageous position. A dedicated team for research and development, gives Electrosteel an edge over the others.

Threats

However, the water sector is facing a major financing gap. The annual requirements for rehabilitating existing infrastructure alone is estimated to be around Rs.200 billion while the required new investment is – with very modest allowances for sewage treatment – to cost about Rs.180 billion a year. Annual allocations in the recent past have varied between Rs.90 billion and Rs.170 billion a year. On the "supply side", there are ultimately only two sources of financing – tax revenues and user charges, both needs to be revamped. Greater allocations of budgetary resources, more efficient use of those resources, and greater contributions from water users have to be ensured. On the other side, a number of Ductile Iron Pipe manufacturers had emerged in recent years making the market more complex with a negative effect on the price structure. Anti-dumping/Anti-subsidy duties imposed on Indian Ductile Iron Pipes by European Commission in European Union Countries is a constraint for the export market. The rising price of raw material, growing overhead cost and shipping logistic cost are the other matters of concern.

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 2019 and 31 March 2018 are as under:

a) Financials

(Rs. in Crore)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Gross Sales & Income from Operations	**2,390.61**	2,026.08
Profit before Interest, Depreciation & Exceptional Items	**410.78**	305.13
– Finance Expenses	**225.40**	202.32
– Depreciation	**54.82**	59.22
Profit before Exceptional Items & Tax	**130.56**	43.59
Exceptional Items	**(789.90)**	–
Profit before Tax	**(659.34)**	43.59
Tax Expenses	**(23.48)**	(3.40)
Profit after Tax	**(635.86)**	46.99

b) Company's Sales mix

(Rs. in Crore)

	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from sale of Product		
D.I. Spun Pipes	**1,622.91**	1,501.20
D.I. Fittings	**253.50**	132.66
C.I. Spun Pipes	**154.10**	81.30
Others	**313.25**	277.35
Revenue from sale of Services	**–**	1.64

Other Financial Matters

During the year :

1. Net Worth of the Company decreased to Rs.2,378.10 Crore as at 31 March 2019 from Rs.2,891.95 Crore as at 31 March 2018.
2. Gross Fixed Assets including Work in Progress & Capital Advances as at 31 March 2019 increased to Rs.3,021.67 Crore from Rs.2,983.27 Crore as at 31 March 2018.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems commensurate with the nature of its business and the size and complexity of operations. It ensures the efficiency of the operations, financial reporting and statutory compliances. These systems are reviewed through risk control matrix, various MIS 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 scope, observations and suggestions of the Internal Auditors and takes the necessary corrective actions.

G. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company strongly believes that to achieve continual success, a dedicated and devoted workforce is very much required to get high performance and improved productivity. This has been endlessly encouraged by evolving human resource management systems and processes of the Company. The Company has left no stones unturned for enhancing the capabilities of employees across all levels of Organisation through engagement and training programmes. Further, the Company is strongly focused towards utilisation of its manpower to the optimum level. The total number of employees in the Company, including those inducted as trainees in the Company, as on 31 March 2019 was 1526.

The positive approach and cordial relationship between the Management and Unions has resulted in smooth industrial relations during the year under review. The relationship have developed over the years and has played a significant role in smooth running of the Company. Any issues/grievances are peacefully addressed to and amicably settled through different processes like discussion across the table, counseling, workers' participation and collective bargaining on mutually acceptable terms. The Company sincerely strives to enhance and value knowledge capital by improving the competence of its employee and their prospective and optimum usage.

The Company has been accredited with Social Accountability (SA) 8000 certification from British Standard Institute (BSI). The BSI has renewed the Company's agreement after continuing assessment on SA 8000:2008. The SA 8000:2014 recertification audit was conducted successfully by BSI for the Financial Year 2018-19 & recommended for continuation of the Certificate. The Company is taking initiatives to maintain TPM excellence on a continuous basis.

Management Discussion ..... *(Contd.)*

Safety & Health

The Company has established effective Safety, Health & Environment Management as an integral part of all operations. The policy of the Company is made to provide a safe, healthy, ergonomic, clean & green working environment for all and in all its activities. The Company has implemented its occupational Health & Safety policy towards achieving zero accident and made it a regular practice.

The Company is :

- committed to provide a safe working condition for all of its employees in every operation. Each and every activity & sub-activity are covered under "HIRA" – Hazard Identification and Risk Analysis. Relevant mitigation plans are also taken. Constant updating of HIRA also reduces the risk level in the work area.
- carrying out regular plant inspections to identify the unsafe acts or unsafe conditions inside the factory premises and actions are being taken accordingly. The compliance monitoring is reviewed every month.
- implementing safety integration in design, maintenance, operation and other processes based on evaluation of unsafe acts & conditions.
- maintaining all applicable statutory rules and regulations in respect of Safety and Health.
- introducing new engineering techniques and exploring of suitable personnel protective equipments to make the work area safer and comfortable.
- conducting safety committee meeting as per schedule in every department and outcome of the meetings are further analyzed thoroughly and necessary initiatives are also taken. The resolutions & action plans are monitored monthly at management review.
- celebrating National safety day / week in every year through conducting various competitions amongst all employees for further enhancement of safety awareness like Quiz Contest, KYT Contest, Mock Drill Contest and Safety-Drama Contest etc. Fire safety week and road safety week are also celebrated to create awareness among the employees.
- spreading awareness through training programmes, like use of PPE, HIRA, working at a height, Gas Safety, etc., are being imparted to the concerned employees.
- focused on providing general safety, process safety, project safety and behavioral safety through various campaigns & training.
- maintaining industrial hygiene and monitoring health status of all the employees at regular interval to prevent health impairment.

Being a OHSAS 18001:2007 certified Company, the Company is committed to implement best safety management practices and also to develop a good safety culture to achieve zero accident.

Environment

With the objective to sustain clean and green environment in and around the factory and improve it with time, the Company has a strong and very effective Environment Management System that looks after all the environmental issues. Being an ISO 14001:2015 certified Company, all possible measures in respect of environmental issues are taken.

- The Company has adopted environmental friendly operation right from procurement of raw materials to end use of the product resulting in less emission to atmosphere and more effective utilisation of waste.
- Advanced pollution control devices have been installed keeping in mind the pace of advancement of science & technology. This has resulted in lesser amount of pollution load and helps us to maintain statutory compliance and more improved than statutory requirement.
- The Company has taken different initiatives for conservation of natural resources which includes - recycling of treated water inside the plant, optimization of fuel oil consumption, utilisation of Blast Furnace gas, etc.

- Ambient air monitoring stations have been installed at strategic locations and monitoring is being conducted as per schedule. The outcome is analyzed thoroughly to maintain amiable atmosphere in and around the factory premises and improve regularly.
- The Company also adopted different initiatives for reduction in use of energy through different engineering techniques and also making use of kaizens. Installation of solar lights inside the plant has also been done.
- Plantation of saplings program is being conducted throughout the year in and around the factory premises and also saplings are distributed among local school children to encourage them to be conscious about protection of nature.
- The Company has taken initiative to encourage good House Keeping practice through 5s principle.
- Environmental awareness training programme is being imparted throughout the year as per schedule to all workmen and different trainings, like, compliance obligations, operational control procedures are also imparted as per suitability of the concerned person.
- Review meeting is conducted in different levels to ascertain effectiveness of Environmental Management System and the Company is trying to enhance the level of its effectiveness.

Waste Minimization

The Company has adopted 4 "R" techniques namely Reuse, Recycle, Reprocess and Reduce in connection with Waste Management System. Techno commercial viability along with process development has been considered. Some initiatives taken and in continuation are as follows:

- Collection, Storing, Handling and Disposal of wastes have been done as per statutory guidelines.
- Some of the process waste has been utilised in another process without compromising the quality standard of the product.
- Re-use of packing waste towards conservation of natural resources.
- Hazardous wastes are being handled in environmental-safe manner and stored in a designated bin with suitable engineering design as per Statutory requirements.

Effective implementation of EMS linked to ISO-14001 reduces the environmental impact as well as explore the opportunity towards achieving cleaner & greener environment not only for the Company but also to the society as a whole.

Corporate Social Responsibility ('CSR')

CSR activity for the Company is a setup of planned activities, taking into consideration the capabilities of the Company with a target on the significant impact to inspire and excite its local community and near vicinities. The initiative of the Company is to strengthen its operating foundation and being engaged in ongoing efforts to contribute to the Society during enhancing corporate values.

The Company takes into account issues related to external stakeholders and also various range of programs that aim at social & environmental topics. The Company's code of conduct anchors its ethics and compliance affairs. It also creates and implements community based initiatives to solve issues in areas like education for children, environmental conservation & external cooperation keeping in mind the local culture and society.

Electrosteel Initiatives

- Setting of drinking water kiosks in local area during the summer season.
- Providing assistance to promote local culture and festivals.
- Carrying out development work in local schools and sports clubs to promote education & sports activities.
- Providing medical help through Charitable Medical Centers.
- Motivating local poor but bright students and distribution of educational kits amongst school children.

Management Discussion ..... *(Contd.)*

- Arranging regular Blood Donation and Medical Camps through agencies and helping local people with Blood Cards as and when required.
- Distribution of clothes/blankets to downtrodden people of local area.
- Providing financial help to people against their appeals.

The Company conducts the CSR activities based on the feedback from its stakeholders, customers and the local community.

Information Technology

The Company embraced couple of new age initiatives targeted to impact positively to the revenue critical operations. Artificial Intelligence (AI) is being explored to add value to the critical business operations. AI based search tool is being developed to spot potential business opportunity leads in various upcoming projects globally where Ductile Iron Pipes might be considered as solution item/product. The Company has also adopted the "Less paper" approach for document processing and workflow. Electronic workflow has been developed for Annual Performance Review and various IT forms. This will eliminate various problems associated with the paper form based appraisal cycle and document flow.

The Company is planning to implement Disaster Recovery Solutions as part of its business continuity plan. This will ensure the organisation is ready to handle any future disasters in organised way while reducing the implications of such disaster.

Electrosteel has gone big bang into digital marketing to improve its visibility in the digital space. Strategically, it has been taken up to augment improved branding. Exclusive captive analytics team has been created to continuously explore information compiled from unstructured and disparate data sources.

H. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

i. Operating Profit Margin (%) witnessed a growth from 12% in the Financial Year 2017-18 to 15% in the Financial Year 2018-19 and Net Profit Margin (%) from 2% to 7% due to better realisation in DI Pipe and Fittings.

ii. There is a negative return on Net Worth at 27% in the Financial Year 2018-19 as against positive return on Net Worth at 2% in the Financial Year 2017-18. This is on account of fair valuation of investment in the shares of Electrosteel Steels Limited and advance and trade receivables written off as per approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated 10 August 2018.

iii. Further due to reduction in Net Worth, the Debt Equity Ratio increased to 0.68 in the Financial Year 2018-19 from 0.54 in the Financial Year 2017-18.

I. OUTLOOK

Electrosteel Castings is the pioneer in bringing the first manufacturing technology of Ductile Iron Pipes and Fittings in India, in 1994. The group has the maximum capacity to produce DI Pipes, DI Fittings and Cast Iron Pipes in India. Electrosteel is also known for innovation and for adding diversity in its product lines. The Company was instrumental in developing various classes of pipes and various types of protective coatings and huge range of fittings. On the strength of quality, comparable to any other prime international manufactures, Electrosteel Castings DI Pipes and Fittings were accepted in Europe, Africa, Middle East, Far East and in USA. With this outlook, the Company is hopeful of having comfortable order position in domestic and export market in 2019-20.

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 the 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, change of Industrial/Government policies, court orders, ordinance or natural disasters, etc.

To counter this, the Company has taken various steps including backward integration which comprises brownfield expansions, e.g., Sinter Plant, Sponge Iron Plant, Coke Oven Plant, Power Plant from waste heat recovery, upgrading and expanding manufacturing capacities, exploring alternate source for procurement of critical raw material in case of delay in mining planned earlier, managing resources to meet financial obligation, 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 enters into contracts for bulk quantity as well as keeps on exploring alternate sources of supply.

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 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, global presence through its subsidiaries, 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.

Management Discussion ..... *(Contd.)*

Industrial Risk

The Company ardently believes in recognising its people's talent & their potential as one of the major source required for achieving success in this competitive market. As a measure to achieve, the Company continues to pay sincere attention on people development by evolving a continuously learning human resource base to help them in improving their potential and fulfilling their aspiration. It is essential to have employees engagement in various spheres to create a congenial, conducive and healthy work culture. In the process, the Company gives utmost priority to community services, sports, education and medical services to the employees as well as the locality.

The Company undertakes development program to enhance the competence of employees by imparting training in skill development and multiskilling, which increases the job security and scope for alternative redeployment.

The crucial factors in the smooth operation of the plant includes good public relations and liaisoning with statutory bodies, union leaders and community. 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 loss over 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 risks are defined as those potential adverse situations which may come from any regulatory and environmental non-compliances arising out of the operation of the Company's plant activities. This may impact the Company's image and also generate financial liabilities. This can be combination of different situations together also.

The Company has established a proper Environmental Management System supported by policies and procedures to maintain strict adherence in respect of monitoring and reviewing compliance of various applicable laws related to the environment. This system is upgraded with time with different improvements.

The Company is having appropriate pollution control equipments, effluent treatment plants, waste treatment & recycling systems, dust control systems installed in the plants which are being operated & maintained satisfactorily as per required efficiency. Regular monitoring of those is being done. Permanent ambient air quality monitoring stations have been installed for continuous monitoring of air quality.

An exclusive Environment Management Cell (EMC) is working to monitor and analyse different aspects of environment control and for ongoing compliance of applicable legal requirements and also strictly adhering to the requirements of ISO 14001:2004 Standards.

EMC along with the support of engineering department is regularly assessing the designs of Pollution Control System and doing needful for up-gradation. It is also working for mitigation plan of any probable stringent stipulations which are going to come in near future. Environment objectives and targets are also set considering the present and probable future risks. All above are focused to identify the risks, evaluated and mitigated within a given time frame on a regular basis.

Management Review is being done on regular basis at different layers for checking the adequacy and effectiveness of the established Environmental Management System and keep risk mitigation plan effective.

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 exports 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 its risk management initiatives and also takes expert advice on regular basis on hedging strategy.

- **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 other than subsidiaries is covered under Credit Insurance.

For and on behalf of the Board of Directors

	Umang Kejriwal	Mahendra Kumar Jalan
Place: Kolkata	Managing Director	Whole-time Director
Date: 15 May 2019	DIN: 00065173	DIN: 00311883

Annexure – 2

Report on Performance and Financial Position of the Subsidiaries, Associates and Joint Ventures of the Company for the year ended 31 March 2019

There are 12 Subsidiaries, 2 Associates and 2 Joint Venture (JV) companies of the Company as on 31 March 2019. The performance and financial position of these Subsidiaries, Associates and JVs of the Company and their contribution to the overall performance of the Company for the Financial Year ended 31 March 2019 are summarised below:

A. SUBSIDIARIES

1. Electrosteel Algerie SPA, Algeria

Electrosteel Algerie 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 made a profit of DZD 71.98 million on a total income of DZD 109.46 million during the year under review as compared to a profit of DZD 68.38 million on a total income of DZD 49.41 million during the previous year. The Financial Year 2019-20 is expected to remain promising.

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 865,412 on a turnover of GBP 20.25 million during the year under review as compared to a profit of GBP 47,871 on a turnover of GBP 12.38 million during the previous year. The outlook of the Company for the next Financial Year will be muted, being the last year of the 5 year AMP cycle.

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 473,886 on a total income of AED 9.50 million during the year under review as compared to a profit of AED 128,987 on a total income of AED 18.40 million during the previous year. The outlook of the Company for the next Financial Year 2019-20 appears 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 made a profit of QAR 8,142,007 on a total income of QAR 50.76 million during the year under review as compared to a profit of QAR 3,386,986 on a total income of QAR 16.33 million earned in the previous year. The outlook of the Company for the next Financial Year 2019-20 appears positive.

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, Spain, Italy, Portugal, Poland and other countries located in Mainland Europe. This subsidiary has earned a profit of Euro 450,445 on a total income of Euro 62.80 million during the year under review as compared to a profit of Euro 513,924 on a total income of Euro 52.99 million during the previous year. The Financial Year 2019-20 will remain challenging in view of difficult economic and political situation in parts of Europe.

6. Electrosteel Trading, S.A., Spain

Electrosteel Trading S.A. is a wholly owned subsidiary engaged in marketing and selling the products of the Company in Spain. This subsidiary has earned a profit of Euro 8,169 on a turnover of Euro 2.13 million during the year under review as compared to a profit of Euro 17,826 on a turnover of Euro 1.62 million during the previous year. The outlook for the Financial Year 2019-20 in respect of profitability is expected to be breakeven.

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 made a consolidated profit of USD 1,273,357 on a consolidated total income of USD 7.93 million during the year under review as compared to a consolidated profit of USD 179,193 on a consolidated total income of USD 5.16 million during the previous year. The outlook for the Financial Year 2019-20 in respect of volume and profitability is expected to be positive.

8. Electrosteel Brasil LTDA Tubos e Conexoes Duteis, Brazil

Electrosteel Brasil LTDA Tubos e Conexoes Duteis 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 activity through this subsidiary during the Financial Year 2018-19.

9. Electrosteel Bahrain Holding SPC Company, Bahrain and its wholly owned subsidiary Electrosteel Bahrain Trading W.L.L

Electrosteel Bahrain Holding SPC Company was incorporated as a wholly owned subsidiary to act as the holding company. Electrosteel Bahrain Holding SPC Company incorporated a subsidiary, Electrosteel Bahrain Trading W.L.L (i.e. step down subsidiary of the Company). This subsidiary mainly caters the Saudi Arabia and Bahrain market. This subsidiary has made a consolidated profit of BHD 186,935 on a turnover of BHD 3.13 million as compared to profit of BHD 277,568 on a turnover of BHD 2.99 million during the previous year. The outlook for the next Financial Year 2019-20 appears positive.

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 the Directors. This subsidiary had earned a profit after tax of Rs.8.90 lakh during the year under review as compared to the profit after tax of Rs.8.42 lakh earned in the previous year.

B. ASSOCIATES

1. Srikalahasthi Pipes Limited, India

Srikalahasthi Pipes Limited (SPL), an associate of the Company is a leader in the manufacture of Ductile Iron Pipes in South India. SPL has reported a gross operating revenue of Rs.1,558.80 Crores during the Financial Year 2018-19 as against 1,594.23 Crores achieved in the previous year. The Company reported an Earnings before interest, tax, depreciation and amortization of Rs.237.60 Crores and profit after tax of Rs.117.54 Crores during the Financial Year 2018-19.

The capex plan of Rs.70 Crores in the Ductile Iron Pipe plant is mainly towards installation of additional Annealing Furnace, modification of Finishing Line and Spinning Machine to produce Ductile Iron Pipes up to 1200 mm dia, which are in progress and will be operational by June 2020. The Capex Plan of Rs.75 Crores to put up new Blast Furnace of 380M3 is also under implementation and it is likely to be operational by end of September quarter of Financial Year 2020-21. On successful completion of these projects, the capacity of Ductile Iron Pipe plant shall increase from 3,00,000 TPA to 3,50,000 TPA.

Subsidiaries, Associates ..... *(Contd.)*

Given the focus of the Government of India for potable water supply, 100% sanitation coverage in India, ambitious housing plan for the economically weaker sections of the society, Swatch Bharat Mission and implementation of irrigation projects by pipeline will generate higher demand in all States and hopeful of maintaining around 15% growth. Further, implementation of Amaravati Capital Project and providing industrial water to Special Economic Zone areas in Nellore, Srikalahasthi and Naidupet areas in Andhra Pradesh will generate additional demand of Ductile Iron Pipes and the Company will be benefited by these upcoming water supply projects in Andhra Pradesh. The Company is hopeful of improved working during the Financial Year 2019-20 in view of higher demand of Ductile Iron Pipes in Andhra Pradesh, where the plant of the Company is situated.

SPL is presently listed with both BSE Limited and the National Stock Exchange of India Limited.

2. Electrosteel Thermal Power Limited, India

Electrosteel Thermal Power Limited (ETPL), an associate of the Company, is yet to commence operations. ETPL had reported a loss after tax of Rs.0.26 lakh during the year 2018-19 as compared to a loss after tax of Rs.0.23 lakh in the previous year.

C. JOINT VENTURE

1. Domco Private Limited, India

The status of Domco Private Limited, a JV entity, has been covered under Note no. 7.2 of the Notes on Consolidated Financial Statements for the year ended 31 March 2019.

2. North Dhadhu Mining Company Private Limited, India

The status of North Dhadhu Mining Company Private Limited, a JV entity, has been covered under Note no. 7.3 of the Notes on Consolidated Financial Statements for the year ended 31 March 2019.

For and on behalf of the Board of Directors

	Umang Kejriwal	Mahendra Kumar Jalan
Place: Kolkata	Managing Director	Whole-time Director
Date: 15 May 2019	DIN: 00065173	DIN: 00311883

Annexure – 3

Report on Corporate Governance of the Company

for the year ended 31 March 2019

[as required under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Company's philosophy on Corporate Governance in brief

The Company's philosophy on Corporate Governance is based on a foundation of ethical and transparent business operations. The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increased operational efficiencies and sustained long term value creation for all the stakeholders. The Company is committed to the highest standards of corporate governance, and setting industry-leading benchmarks. Our goal is to promote and protect the long-term interest of all stakeholders.

As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 ('the Act') and has established procedures and systems to comply with it. Some of the important codes, policies and programs adopted in this regard are -

- Code of Conduct for the Board of Directors and Senior Management Executives;
- Code of Conduct for regulating, monitoring and reporting trading by Designated Persons and their Immediate Relatives;
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information;
- Policy and Procedure for Inquiry in Case of Leak/Suspected Leak of Unpublished Price Sensitive Information;
- Vigil Mechanism/Whistle Blower Policy;
- Related Party Transaction Policy;
- Nomination and Remuneration Policy;
- Corporate Social Responsibility Policy;
- Policy for determining Material Subsidiaries;
- Policy on Board Diversity and Succession Planning for the Board of Director and Senior Management;
- Policy for determination of Materiality of Events/Information for disclosures;
- Familiarization Program for the Independent Directors.

2. Board of Directors

2.1 Composition and Category of Directors and number of other Directorship and Committee Positions and the names of the listed entities in which the Director is a Director and the category of such Directorship held as on 31 March 2019

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

- Five Independent, Non-Executive Directors including one Independent Woman Director;
- Three Promoter Executive Directors;

Corporate Governance ..... *(Contd.)*

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

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

The composition of the Board as on 31 March 2019 was in accordance with the provisions of the Act and the Regulation 17 of the Listing Regulations. The details of each member of the Board as on 31 March 2019 are provided herein below:

Name of the Director	Number of Directorship(s) in other public limited companies[1]	No. of committee positions in other public limited companies[2]		Directorship in other listed entities (Category of Directorship)
		Chairperson	Member	
Independent, Non-Executive Directors				
Mr. Pradip Kumar Khaitan DIN: 00004821	8	2	6	Odisha Cement Limited (Independent, Non-Executive) India Glycols Limited (Independent, Non-Executive) Graphite India Limited (Independent, Non-Executive) Emami Limited (Independent, Non-Executive) CESC Limited (Non-Independent, Non-Executive) Dhunseri Ventures Limited (Non-Independent, Non-Executive) Firstsource Solutions Limited (Non-Independent, Non-Executive)
Mr. Binod Kumar Khaitan DIN: 00128502	1	1	1	The Phosphate Co. Ltd. (Non-Independent, Non-Executive)
Mr. Ram Krishna Agarwal DIN: 00416964	5	3	6	Srei Infrastructure Finance Limited (Independent, Non-Executive) Cigniti Technologies Limited (Independent, Non-Executive)
Mr. Amrendra Prasad Verma DIN: 00236108	4	1	3	Solar Industries India Limited (Independent, Non-Executive) Security and Intelligence Services (India) Limited (Independent, Non-Executive)
Dr. Mohua Banerjee[3] DIN: 08350348	–	–	–	–

Name of the Director	Number of Directorship(s) in other public limited companies[1]	No. of committee positions in other public limited companies[2]		Directorship in other listed entities (Category of Directorship)
		Chairperson	Member	
Non-Independent, Executive Directors (Managing Directors & Whole-time Directors)				
Mr. Umang Kejriwal DIN: 00065173	2	–	–	–
Mr. Mayank Kejriwal DIN: 00065980	7	–	–	Srikalahasthi Pipes Limited (Executive)
Mr. Uddhav Kejriwal DIN: 00066077	3	–	–	–
Mr. Mahendra Kumar Jalan DIN: 00311883	3	–	–	–
Non-Independent, Non-Executive Directors				
Mr. Shermadevi Yegnaswami Rajagopalan DIN: 00067000	–	–	–	–
Mr. Vyas Mitre Ralli DIN: 02892446	–	–	–	–

Notes :

1. Excludes Directorships/Chairpersonships in Associations, Private Limited Companies, Foreign Companies, Government Bodies, Companies registered under Section 8 of the Act and Alternate Directorships.
2. Only Audit Committee and Stakeholders' Relationship Committee of Indian Public Companies have been considered for committee positions.
3. Dr. Mohua Banerjee was appointed as an Additional Director (Independent) of the Company with effect from 8 February 2019.
4. Ms. Nityangi Kejriwal Jaiswal, Promoter, Non–Independent, Non-Executive Director, resigned from the Board of Directors with effect from 29 January 2019.
5. None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31 March 2019 have been made by the Directors.
6. Mr. Umang Kejriwal and Mr. Mayank Kejriwal are brothers. Mr. Mayank Kejriwal is the father of Mr. Uddhav Kejriwal. Apart from this, none of the other Directors are in any way related to any other Director.

Corporate Governance ..... *(Contd.)*

2.2 Attendance of Directors at the Board Meetings during the Financial Year ended 31 March 2019 and at the last Annual General Meeting

During the Financial Year ended 31 March 2019, 9 (nine) Board Meetings were held and the gap between any two consecutive meetings held during the year did not exceed 120 days. The 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 Held	No. of Board Meetings Attended	Attendance at the last AGM held on 14 September 2018
Mr. Pradip Kumar Khaitan	9	6	No
Mr. Binod Kumar Khaitan	9	9	Yes
Mr. Ram Krishna Agarwal	9	9	No
Mr. Amrendra Prasad Verma	9	6	No
Dr. Mohua Banerjee[1]	2	2	-
Mr. Umang Kejriwal	9	7	No
Mr. Mayank Kejriwal	9	8	No
Mr. Uddhav Kejriwal	9	9	No
Ms. Nityangi Kejriwal Jaiswal[2]	6	6	No
Mr. Shermadevi Yegnaswami Rajagopalan	9	8	Yes
Mr. Vyas Mitre Ralli	9	7	No
Mr. Mahendra Kumar Jalan	9	8	No

Note :

1. Dr. Mohua Banerjee was appointed as an Additional Director (Independent) of the Company with effect from 8 February 2019.
2. Ms. Nityangi Kejriwal Jaiswal, Promoter, Non–Independent, Non-Executive Director resigned from the Board of Directors with effect from 29 January 2019.

2.3 Information placed before the Board

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board.

During the Financial Year 2018-19, information as mentioned in Schedule II (Part A) to the Listing Regulations has been placed before the Board for its consideration, to the extent it is applicable and relevant.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.

2.4 Details of Meeting-wise attendance of Board Members

Date of the Board Meeting	Board Strength	No. of Directors Present
15 May 2018	11	11
12 July 2018	11	10
7 August 2018	11	10
3 October 2018	11	11

Date of the Board Meeting	Board Strength	No. of Directors Present
29 October 2018	11	8
10 November 2018	11	11
29 January 2019	10	7
12 March 2019	11	7
27 March 2019	11	10

2.5 Details of shares/convertible instruments held by the Non-Executive or Independent Directors of the Company as on 31 March 2019 are as follows:

Name of the Director	No. of shares held
Mr. Pradip Kumar Khaitan	Nil
Mr. Binod Kumar Khaitan	2,000
Mr. Ram Krishna Agarwal	1,000
Mr. Amrendra Prasad Verma	Nil
Dr. Mohua Banerjee	Nil
Mr. Shermadevi Yegnaswami Rajagopalan	5,100
Mr. Vyas Mitre Ralli	5,000

Note:

1. None of the Non-Executive or Independent Directors hold any convertible instruments and/or Stock Options of the Company as on 31 March 2019.

2.6 Details of familiarization programmes imparted to the Independent Directors

The details of familiarization programme imparted to the Independent Directors is hosted on the website of the Company at the web-link https://www.electrosteelcastings.com/investors/pdf/familiarisation-programme-for-id.pdf. Further, at the time of appointment/re-appointment of an Independent Director, the Company issues a formal letter of appointment outlining his roles, functions and responsibilities, etc. The terms and conditions of appointment of the Independent Directors are also disclosed on the website of the Company.

2.7 List of core skills/expertise/competencies of the Board of Directors

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board are:

a) Industry / Sector related knowledge
b) Operations and Management Experience
c) Finance and Accounting
d) Corporate Governance and Ethics
e) Strategy Development, Planning and Implementation
f) Compliance and Legal / Regulatory Experience
g) Sales and Marketing
h) Human Resources Management
i) Risk Management

Corporate Governance ..... *(Contd.)*

2.8 Confirmation as regards independence of Independent Directors

The Independent Directors of the Company have confirmed that (a) they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 of the Listing Regulations 2015, and (b) they are not aware of any circumstance or situation, which could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence. Further, in the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the Listing Regulations 2015 and are independent of the management of the Company.

3. Audit Committee

The composition, quorum and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Act and Regulation 18 read with Schedule II (Part C) to the Listing Regulations.

The Committee comprises of the following Directors as on 31 March 2019:

Mr. Binod Kumar Khaitan, Chairman - Independent Director
Mr. Pradip Kumar Khaitan - Independent Director
Mr. Ram Krishna Agarwal - Independent Director
Mr. Amrendra Prasad Verma - Independent Director
Mr. Mahendra Kumar Jalan - Whole-time Director

The representatives of Statutory Auditors, Internal 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. All members of the Audit Committee are financially literate and have accounting and related financial management expertise. Mr. Binod Kumar Khaitan, the Chairperson of the Committee was present at the 63rd Annual General Meeting of the Company held on 14 September 2018 to answer shareholder queries. The Company Secretary acts as the Secretary to the Audit Committee. During the year under review, the Board had accepted all the recommendations of Audit Committee.

The broad terms of reference of the Audit Committee inter-alia includes the following:

i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

ii. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

iii. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

iv. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:

    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

    b. Changes, if any, in accounting policies and practices and reasons for the same;

    c. Major accounting entries involving estimates based on the exercise of judgment by management;

    d. Significant adjustments made in the financial statements arising out of audit findings;

    e. Compliance with listing and other legal requirements relating to financial statements;

    f. Disclosure of any related party transactions;

    g. Modified opinion(s) in the draft audit report;

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

vi. Monitoring and reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the Company with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Valuation of undertakings or assets of the Company, wherever it is necessary;

xi. Evaluation of internal financial controls and risk management systems;

xii. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with Internal Auditors of any significant findings and follow up there on;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. To review the functioning of the whistle blower mechanism

xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

xxi. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

xxii. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable;

xxiii. To perform such other functions as may be necessary or appropriate for the performance of its duties.

xxiv. Review the following information:

a) Management Discussion and Analysis of financial condition and results of operations;

b) Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by the management;

Corporate Governance ..... *(Contd.)*

c) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;

d) Internal Audit Reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

f) The statement of deviations:

   i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

   ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations.

During the Financial Year 2018-19, 6 (six) Audit Committee meetings were held on 15 May 2018, 7 August 2018, 3 October 2018, 10 November 2018, 29 January 2019 and 27 March 2019. The gap between any two consecutive meetings did not exceed 120 days. Attendance at the said meetings is given below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	6	6
Mr. Pradip Kumar Khaitan	6	5
Mr. Ram Krishna Agarwal	6	6
Mr. Amrendra Prasad Verma	6	5
Mr. Mahendra Kumar Jalan[1]	4	4

Note:

1. Mr. Mahendra Kumar Jalan was appointed as a member of the Committee with effect from 7 August 2018.

4. Nomination & Remuneration Committee

There is a Nomination and Remuneration Committee (NRC) in place with roles, powers and duties to be determined by the Board from time to time. Its terms of reference is in accordance with the provisions of Section 178 of the Act and Regulation 19(4) read with Schedule II (Part D) of the Listing Regulations.

The Committee comprises of the following Directors as on 31 March 2019:
Mr. Binod Kumar Khaitan, Chairman – Independent Director
Mr. Pradip Kumar Khaitan – Independent Director
Mr. Ram Krishna Agarwal – Independent Director
Mr. Shermadevi Yegnaswami Rajagopalan – Non Independent, Non-Executive Director

All members of Nomination and Remuneration Committee (NRC) are Non-Executive Directors. Mr. Binod Kumar Khaitan, Independent Director acts as the Chairperson of the Committee and was present at the 63rd Annual General Meeting of the Company held on 14 September 2018 to answer shareholder queries.

The terms of reference of the Nomination and Remuneration Committee inter-alia includes the following:

i. 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;

ii. formulate the criteria for evaluation of performance of independent directors and the board of directors;
iii. devising a policy on diversity of board of directors;
iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
vi. recommend to the board, all remuneration, in whatever form, payable to senior management.

The NRC of the Company has formulated the Nomination and Remuneration Policy of the Company. The Policy applies to appointment of the Directors, KMP and Senior Management Personnel as well as determining the remuneration payable to them and other employees. The Committee had also formulated the Policy on Board Diversity and Succession Planning for the Board of Directors and Senior Management.

During the Financial Year 2018-19, 3 (three) Nomination and Remuneration Committee meetings were held on 15 May 2018, 7 August 2018 and 29 January 2019. Attendance at the said meetings is given below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	3	3
Mr. Pradip Kumar Khaitan	3	2
Mr. Ram Krishna Agarwal	3	3
Mr. Shermadevi Yegnaswami Rajagopalan	3	3

The NRC has laid down the criteria for performance evaluation of Independent Directors of the Company as:

Evaluation of Non-Executive Directors

The broad parameters for reviewing the performance of Non-Executive Directors are:

- Participation at the Board/Committee meetings;
- Commitment (including guidance provided to senior management outside of Board/Committee meetings);
- Effective deployment of knowledge and expertise;
- Effective management of relationship with stakeholders;
- Integrity and maintaining of confidentiality;
- Independence of behaviour and judgment; and
- Impact and influence.

Evaluation of Independent Directors

In addition to the parameters laid down for Non-Executive Directors, an Independent Director shall also be evaluated on the following parameters:

- Exercise of objective independent judgment in the best interest of Company;
- Ability to contribute to and monitor Corporate Governance practice; and
- Adherence to the Code of Conduct for Independent Directors.

Corporate Governance ..... *(Contd.)*

5. Stakeholders' Relationship Committee

The composition and terms of reference of the Stakeholders' Relationship Committee are in accordance with the provisions of Section 178 of the Act and Regulation 20 read with Schedule II (Part D) of the Listing Regulations.

The Stakeholders' Relationship Committee comprises of the following Directors as on 31 March 2019:

Mr. Binod Kumar Khaitan, Chairman – Independent Director
Mr. Mayank Kejriwal – Joint Managing Director
Mr. Vyas Mitre Ralli – Non-Independent, Non-Executive Director
Mr. Mahendra Kumar Jalan – Whole-time Director

Mr. Binod Kumar Khaitan, Independent, Non-Executive Director is the Chairperson of the Committee. Mr. Khaitan was present at the 63rd Annual General Meeting of the Company held on 14 September 2018 to answer shareholder queries. Ms. Subhra Giri Patnaik, Company Secretary and Compliance Officer, acts as the Secretary to Stakeholders' Relationship Committee.

The terms of reference of the Stakeholders' Relationship Committee inter-alia includes the following:

i. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, issue of fresh/duplicate debenture certificate, general meetings, etc.

ii. Review of measures taken for effective exercise of voting rights by shareholders.

iii. To oversee the performance of the Registrar & Share Transfer Agent of the Company.

iv. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

v. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

During the Financial Year 2018-19, 4 (four) Stakeholders' Relationship Committee meetings were held on 15 May 2018, 7 August 2018, 10 November 2018 and 29 January 2019. Attendance at the said meetings are given below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Binod Kumar Khaitan	4	4
Mr. Mayank Kejriwal	4	3
Mr. Vyas Mitre Ralli	4	3
Mr. Mahendra Kumar Jalan	4	4

At the beginning of the year under review, there was no complaint remaining unresolved. During the period under review, 4 (four) investor complaints were received by the Registrar & Share Transfer Agent of the Company, which were duly resolved.

There was no pending complaint at the end of the year.

6. Corporate Social Responsibility Committee

The composition and terms of reference of the Corporate Social Responsibility (CSR) Committee are in accordance with the provisions of Section 135 of the Act. As on 31 March 2019, the CSR Committee of the Company is headed by Mr. Shermadevi Yegnaswami Rajagopalan, Non-Executive Director as the Chairman with Mr. Pradip Kumar Khaitan, Independent Director and Mr. Umang Kejriwal, Managing Director as other members of the Committee.

The terms of reference of the CSR Committee inter alia includes the following:

i. Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.

ii. Recommend the amount of expenditure to be incurred on the CSR activities.

iii. Monitor the CSR Policy of the Company from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the Financial Year 2018-19 forms a part of the Report of the Directors.

During the Financial Year 2018-19, 2 (two) CSR Committee meetings were held on 15 May 2018 and 7 August 2018. Attendance at the said meetings is given below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Shermadevi Yegnaswami Rajagopalan	2	2
Mr. Pradip Kumar Khaitan	2	2
Mr. Umang Kejriwal	2	2

7. Remuneration of Directors

The Non-Executive Directors did not have any pecuniary relationship or transactions (except receipt of sitting fees as Directors) with the Company during the year under review.

The criteria for making payments to Non-Executive Directors is laid down in the Nomination and Remuneration Policy of the Company and can be accessed through a web-link i.e. https://www.electrosteelcastings.com/investors/pdf/nominationRemunerationPolicy.pdf.

Details of remuneration paid to Directors during the Financial Year 2018-19

i. 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	6,80,000	-	6,80,000
Mr. Binod Kumar Khaitan	10,00,000	-	10,00,000
Mr. Ram Krishna Agarwal	8,60,000	-	8,60,000
Mr. Amrendra Prasad Verma	6,00,000	-	6,00,000
Dr. Mohua Banerjee[3]	1,00,000	-	1,00,000
Ms. Nityangi Kejriwal Jaiswal[4]	3,20,000	-	3,20,000
Mr. Shermadevi Yegnaswami Rajagopalan	5,80,000	-	5,80,000
Mr. Vyas Mitre Ralli	4,10,000	-	4,10,000
Total	**45,50,000**	-	**45,50,000**

Corporate Governance ..... *(Contd.)*

Notes :

1. The amount of sitting fees for attending Board and Audit Committee meeting was 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. The Directors are also entitled to reimbursement of expenses for participation in Board and other meetings.
2. The Members at the 63rd AGM of the Company held on 14 September 2018 had approved payment and distribution of Commission amongst Directors (other than Executive Directors) for a period of 5 years commencing from 1 April 2019, in such amounts or proportions and in such manner as may be 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 Act. Since during the Financial Year 2018-19, there were no profits, hence, the Directors were not paid commission.
3. Dr. Mohua Banerjee was appointed as an Additional Director (Independent) of the Company with effect from 8 February 2019.
4. Ms. Nityangi Kejriwal Jaiswal, Promoter, Non Independent Non-Executive Director, resigned from the Board of Directors with effect from 29 January 2019.

ii. Remuneration paid to Executive Directors :

(In Rupees)

Name of the Director & Designation	Salary	Perquisites	Commission Paid/ Payable	Total	Service Contract, etc.
Mr. Umang Kejriwal, Managing Director	1,80,00,000	1,18,55,768	–	2,98,55,768	Tenure of 5 years w.e.f. 1 April 2017
Mr. Mayank Kejriwal, Joint Managing Director	3,00,000	10,09,238	–	13,09,238	Tenure of 5 years w.e.f. 1 April 2017
Mr. Uddhav Kejriwal, Whole-time Director	71,25,000	58,63,747	–	1,29,88,747	Tenure of 5 years w.e.f. 16 June 2018
Mr. Mahendra Kumar Jalan, Whole-time Director	49,18,065	1,14,23,275	–	1,63,41,340	Tenure of 5 years w.e.f 22 January 2015
Total	**3,03,43,065**	**3,01,52,028**	**–**	**6,04,95,093**	**–**

Notes:

1. Mr. Uddhav Kejriwal was re-appointed as the Whole-time Director for a period of 5 (five) years with effect from 16 June 2018. The appointment may be terminated by either party giving 1 (one) month notice in writing. There is no separate provision for payment of severance fees.
2. The appointment of Mr. Umang Kejriwal and Mr. Mayank Kejriwal can be terminated by either party by giving 1 (one) month notice in writing. There is no separate provision for payment of severance fees.
3. No Stock Options have been granted to any Executive Directors of the Company.

8. Subsidiary Companies

The Audit Committee reviews the financial statements, in particular the investments made by the Company's unlisted subsidiary companies. The minutes of the board meetings of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material unlisted subsidiary companies as on 31 March 2019.

9. General Body Meetings

a. Location and time, where last three Annual General Meetings (AGM) were held:

Year	Location	Date	Time	Whether special resolutions passed
2017-18	Rathod Colony, Rajgangpur Sundergarh, Odisha - 770 017	14 September 2018*	11.30 A.M.	Yes, 9 (Nine)
2016-17	Rathod Colony, Rajgangpur Sundergarh, Odisha - 770 017	15 September 2017	11.30 A.M.	No
2015-16	Rathod Colony, Rajgangpur Sundergarh, Odisha - 770 017	9 September 2016	11.30 A.M.	Yes, 1 (One)

*M/s. Bihani Rashmi & Co., Chartered Accountants was appointed as the Scrutinizer for scrutinizing the voting process (through remote e-voting and Ballot) for and at the AGM held on 14 September 2018 and submitting Report thereon.

b. There was no special resolution passed last year through postal ballot.

c. As on date, no special resolution is proposed to be conducted through postal ballot.

d. During the Financial Year 2018-19, an Extra-ordinary General Meeting (EGM) was held on 11 August 2018 at Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017 at 11:30 A.M. At the EGM, 2 (two) special resolutions were passed. M/s. Bihani Rashmi & Co., Chartered Accountants was appointed as the Scrutinizer for scrutinizing the voting process (through remote e-voting and Ballot) for and at the EGM and submitting Report thereon.

10. 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 Financial Express (all editions) 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., National Stock Exchange of India Limited 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.electrosteelcastings.com.

11. General Shareholder Information

a)	Date, time and venue of the next Annual General Meeting	20 September 2019, at 11.30 A.M., at Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017, India
b)	Financial Year	1 April 2018 to 31 March 2019
c)	Listing at Stock Exchanges Equity Shares & its Stock Codes at Stock Exchanges	a) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 (Scrip Code – 500128) b) National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 (Symbol – ELECTCAST) ISIN for Equity Shares - INE086A01029
d)	Listing Fee to Stock Exchanges	Annual Listing Fees paid to BSE and NSE within timelines

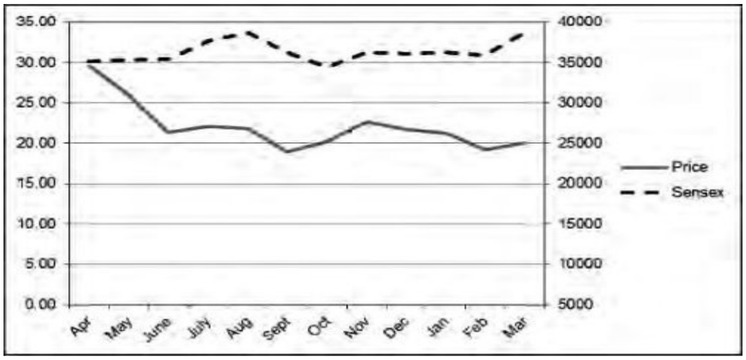
Corporate Governance ..... *(Contd.)*

e) Market Price data for the Scrip of the Company during the Financial Year 2018-19:

Month	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
	High Price (Rs.)	Low Price (Rs.)	Volume (No.)	High Price (Rs.)	Low Price (Rs.)	Volume (No.)
Apr-18	34.70	25.95	2,984,914	34.60	25.85	12,355,248
May-18	29.50	23.25	1,554,212	29.95	23.10	5,453,837
Jun-18	26.10	20.15	1,039,203	25.95	20.15	3,680,940
Jul-18	23.55	19.00	820,548	23.50	18.05	3,102,100
Aug-18	23.70	21.30	875,351	23.70	21.15	4,037,745
Sep-18	22.25	17.95	901,172	22.35	18.00	4,343,599
Oct-18	20.35	16.15	1,048,556	20.45	16.15	6,004,101
Nov-18	23.35	20.05	690,818	23.35	20.10	2,815,930
Dec-18	22.95	20.00	340,943	23.00	19.90	2,117,303
Jan-19	21.70	19.50	380,375	21.70	19.30	2,561,397
Feb-19	21.45	17.75	260,254	21.55	17.55	2,334,442
Mar-19	23.00	18.50	1,029,572	22.95	18.45	4,823,757

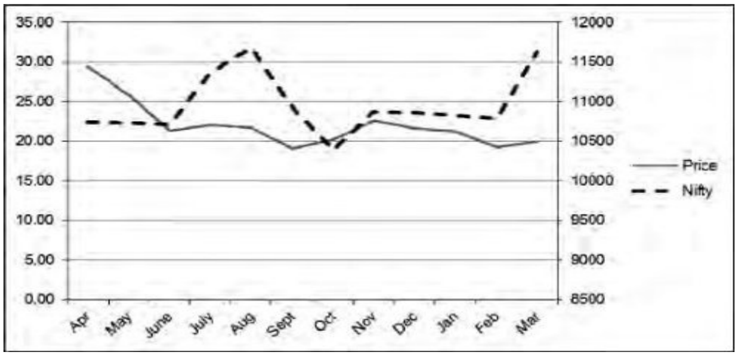
f) Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty for the Financial Year 2018-19:

i) In comparison with BSE Sensex #



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

ii) In comparison with NSE Nifty #



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

g) In case the securities are suspended from trading, the directors report shall explain the reason thereof	Not applicable as none of the securities of the Company are suspended from trading.
h) Registrar and Share Transfer Agent for physical & dematerialised shares	Maheshwari Datamatics Pvt. Ltd., Registered Office: 23 R. N. Mukherjee Road, 5th Floor, Kolkata 700 001 Telephone No.: 033 2248 2248/2243 5029 Fax No.: 033 2248 4787 E-mail Id: mdpldc@yahoo.com
i) Share transfer system	Share transfers in physical form are registered and returned within the period of 15 days from the date of lodgment if the documents are complete in all respect. Effective 1 April 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form. During the year, the Company has sent necessary intimations to its shareholders regarding the restriction on transfer of securities in the physical form.

j) Distribution of shareholding as on 31 March 2019 :

Equity Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares held	% of Shares held
Upto 500	33,517	66.22	66,03,542	1.63
501 to 1,000	7,181	14.19	62,90,946	1.55
1,001 to 2,000	4,401	8.69	72,61,683	1.79
2,001 to 3,000	1,520	3.00	39,66,065	0.98
3,001 to 4,000	840	1.66	30,83,879	0.76
4,001 to 5,000	760	1.50	36,34,977	0.90
5,001 to 10,000	1,169	2.31	88,12,612	2.17
10,001 and Above	1,228	2.43	36,58,28,479	90.22
Total	**50,616**	**100.00**	**40,54,82,183**	**100.00**

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

k) 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 dematerialization 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 2019, 99.52% of the shares of the Company stand dematerialized.

Corporate Governance ..... *(Contd.)*

l)	Outstanding American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) / warrants or any convertible instruments, conversion date and likely impact on equity	There are no outstanding ADR/GDR/warrants or any convertible instruments as on 31 March 2019.
m)	Commodity price risk or foreign exchange risk and hedging activities	The Company is exposed to foreign exchange risk on account of import and export transactions entered. Also, it is a sizable user of various commodities, including base metals & others, which exposes it to the price risk on account of procurement of commodities. The Company is proactively mitigating these risks by entering into commensurate hedging transactions with banks as per applicable guidelines, risk management plan/policies and prevailing market scenario. This is periodically reviewed by senior management team. The Board monitors the foreign exchange exposures on a quarterly basis and the steps taken by management to limit the risks of adverse exchange rate movement. Similarly, the management monitors commodities/ raw materials whose prices are volatile and procurement is contracted considering volatility and plant requirements to minimize risk on the same.
n)	Plant locations:	Unit 1 : 30, B.T. Road, Sukchar, Khardah 24-Parganas (North), Kolkata - 700 115 (West Bengal) Unit 2 : Gummidipoondi Taluk, P.O. Elavur, District Tiruvallur, Tamil Nadu 601 201 Unit 3 : Vill: Kasberia P.O. Shibramnagar P. S. Bhawanipur Dist: Purba Medinipur West Bengal 721 635 Unit 4 : Bansberia Works, Saptagram Gram Panchayat, P.O. Adconnagar, Chak Bansberia, West Bengal 712 121
o)	Address for Correspondence:	Ms. Subhra Giri Patnaik Company Secretary Electrosteel Castings Limited G. K. Tower, 19 Camac Street, Kolkata 700 017 Phone: (033) 2283 9990 Email:companysecretary@electrosteel.com

p) List of Credit Ratings

CARE Ratings Limited ('CARE') has reaffirmed the Company's credit rating for the long-term borrowings as "CARE BBB+" and for short-term borrowings as "CARE A2". The outlook is Stable.

India Ratings & Research Private Limited has assigned a Long term Issuer Rating of "IND A-" and for short term borrowings as "IND A2+". The outlook is Stable.

CARE and Brickwork Ratings India Pvt. Ltd. ('BWR') had revised the Company's credit rating for Non-Convertible Debentures (NCDs) – Series IV as "BBB+" and "BWR A+", respectively. Subsequently, they have withdrawn the credit rating assigned for Series IV NCDs on account of redemption.

Infomerics Valuation and Rating Pvt. Ltd. ('IVR') and BWR have reaffirmed the Company's credit rating for NCDs – Series VI as "IVR A" and "BWR A+", respectively. Subsequently, they have withdrawn the credit rating assigned for Series VI NCDs on account of redemption.

IVR and BWR have reaffirmed the Company's credit rating for NCDs – Series VII as "IVR A" and "BWR A+", respectively. Subsequently, they have withdrawn the credit rating assigned for Series VII NCDs on account of redemption.

12. Other 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 related party transactions are presented in the Notes to the Financial Statements.

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

An adjudication order dated 31 March 2016 has been passed by the Securities and Exchange Board of India (SEBI) imposing a penalty of Rs.50 Lakh under Section 23A(a) and Rs.50 Lakh under Section 23E of the Securities Contract (Regulation) Act, 1956 on the Company for violation of Clause 36 of the Listing Agreement read with Section 21 of Securities Contract (Regulation) Act, 1956. The Company has filed an appeal before the Securities Appellate Tribunal against the aforesaid order and the same is pending as on the date of this Report.

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

C. Vigil Mechanism

The Company has a Whistle Blower Policy towards Vigil Mechanism and the same is hosted on the website of the Company at web-link - https://www.electrosteelcastings.com/investors/pdf/Vigil-Mechanism-Whistle-Blower-Policy.pdf. No personnel were denied access to the Audit Committee.

During the year under review, the policy was suitably amended to enable employees to report instances of actual/suspected leak of Unpublished Price Sensitive Information.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all mandatory requirements as stipulated in the Listing Regulations.

The Company had adopted the following discretionary requirements as stated in Part E of Schedule II of the Listing Regulations:

i) Modified opinion(s) in audit report

The Company endeavors to move towards a regime of financial statements with unmodified audit opinion. However, the modified opinion in the Independent Audit Reports on Standalone and Consolidated Financial Statements for the year under review forms an integral part of this Annual Report.

ii) Separate posts of Chairperson and Chief Executive Officer

The position of the Chairman and Chief Executive Officer are separate. Mr. Pradip Kumar Khaitan, Independent Director, is the Chairman and Mr. Sunil Katial is the Chief Executive Officer of the Company.

iii) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

E. Web link where policy for determining material subsidiaries is disclosed

The Company has formulated a policy on determining material subsidiaries of the Company, which has been uploaded on its website at the web-link: https://www.electrosteelcastings.com/investors/pdf/Policy-for-determining-Material-Subsidiaries.pdf.

F. Web link where policy on dealing with related party transactions is disclosed

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 https://www.electrosteelcastings.com/investors/pdf/Related-Party-Transaction-Policy.pdf.

G. Details of utilization of funds raised through preferential allotment

During the Financial Year 2018-19, the Company had made preferential issue of 4,85,26,861 Equity Shares of face value of Re.1/- each, fully paid-up, at a price of Rs.28.85 per Equity Share (i.e., inclusive of a share premium of Rs.27.85 per Equity Share), as approved by the Shareholders of the Company, at their Extra-ordinary General Meeting (EGM) held on 11 August 2018, to Promoter Group and others, for a cash consideration aggregating up to Rs.140 Crore (Rupees One Hundred Forty Crore Only).

The Company has utilised the entire issue proceeds as per the objects of the issue stated in the Notice of EGM dated 12 July 2018 for general corporate purpose, i.e., towards payment of vendors, instalments of term loans, suppliers credit, etc.

H. Certificate from the Practicing Company Secretary

The Company has received a certificate from M/s. S. M. Gupta & Co., Company Secretaries, certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

I. Recommendations of Committees of the Board

There were no instances during the Financial Year 2018-19, wherein the Board had not accepted recommendations made by any Committee of the Board which was mandatorily required.

J. Total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

The total fees paid by the Company for all services to the Statutory Auditor for the Financial Year 2018-19 was Rs.55,59,525.

No fee was paid by the Company for the Financial Year 2018-19 to the network firm/entity of which the Statutory Auditor was a part.

No fee was paid for the Financial Year 2018-19 by any subsidiary of the Company to the Statutory Auditor and entities in the network firm/network entity of which the statutory auditor is a part.

K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a) number of complaints filed during the Financial Year 2018-19 - NIL

b) number of complaints disposed of during the Financial Year 2018-19 - NIL

c) number of complaints pending as on end of the Financial Year 2018-19 - NIL

13. The Company has complied with all the requirements as stated in Para C(2) to Para C(10) of Schedule V to the Listing Regulations.

14. The Company is in compliance with the applicable Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

15. Code of Conduct

A Code of Conduct has been laid down for all Board Members and Senior Management of the Company, which suitably incorporates the duties of Independent Directors as laid down in the Act. 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 Chief Executive Officer to this effect is annexed hereto. The Code of Conduct is available on the Company's website viz., www.electrosteelcastings.com.

16. Disclosure with respect to demat suspense account/unclaimed suspense account

As on 31 March 2019, there are no shares lying in the demat suspense account/unclaimed suspense account.

For and on behalf of the Board of Directors

	Umang Kejriwal	Mahendra Kumar Jalan
Place: Kolkata	Managing Director	Whole-time Director
Date: 15 May 2019	DIN: 00065173	DIN: 00311883

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 Personnel of the Company that they have complied with the 'Code of Conduct of the Company for Board of Directors and Senior Management Personnel' in respect of Financial Year 2018-19.

Place : Kolkata	Sunil Katial
Date : 15 May 2019	*Chief Executive Officer*

Independent Auditors' Certificate
on Corporate Governance

To
The Members of
Electrosteel Castings Limited

This Certificate is issued in accordance with the terms of our engagement with **Electrosteel Castings Limited** ('the Company').

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2019 as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46(2) and Para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), to the extent relevant, the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations during the year ended 31st March, 2019.

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.

Independent Auditors' Certificate ..... *(Contd.)*

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

(Gopal Jain)
Partner
Membership No. 59147

Place: Kolkata
Dated: 15 May 2019

Annexure – 4

Annual Report on
Corporate Social Responsibility (CSR) Activities
for the Financial Year 2018-19

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 https://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. However for a wider impact, the Company may extend its outreach to the district or state levels and also to other geographies in the country as may be approved by the CSR Committee/Board from time to time.

      ii) **CSR Interventions –** CSR thrust shall be in the field of Healthcare and 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 and for leveraging the Company's CSR initiative and affirmative action for targeted intervention for scheduled castes and tribes etc.

      iv) **Delivery mechanism responsibilities –** The planning, implementation, execution, monitoring and reporting will be done through the CSR 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. The Company had contributed to various trusts and society(ies) for upliftment of society via construction of speciality clinics and school building and medical support to the poor.

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.5,743.22 Lakh.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs.115 Lakh (approx.)

Corporate Social Responsibility (CSR) Activities ..... *(Contd.)*

5. Details of CSR spent during the Financial Year:
   (a) Total amount to be spent for the financial year: Rs.115 Lakh
   (b) Amount unspent, if any: NIL
   (c) Manner in which the amount spent during the financial year is detailed below:

Sl. 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 and District where projects or programs was undertaken	Amount Outlay (budget) projects or programs-wise (in Rs.)	Amount spent on Projects or Programs Sub-heads (in Rs.)		Cumulative expenditure upto the Reporting Period (as on 31.03.2019) (in Rs.)	Amount Spent (Direct or through Implem-enting Agency)
					1) Direct expenditure on Projects or programs	2) Overheads		
1.	To run 650 bedded Hospital and Medical College where subsidized rates are offered for the poorer section of the Society	Clause (i) – Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Sovapur, Bizra Road, Jemua B Zone, Durgapur, West Bengal	50,00,000	50,00,000	--	50,00,000	IQ City Foundation
2.	Construction of school building, reconstruction/ renovation/ repairs of school to promote education to the tribal and deprived people living in remote areas	Clause (ii) – Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Naxalbari (Darjeeling) and Sitai (Coochbehar), West Bengal	65,00,000	20,00,000	--	20,00,000	Upekshit Kshetra Utthan Nyas
3.	To run 650 bedded Teaching Hospital and Medical College along with Nursing College		Sovapur, Bizra Road, Jemua B Zone, Durgapur, West Bengal		45,00,000	--	45,00,000	IQ City Foundation
	Total			**1,15,00,000**	**1,15,00,000**	–	**1,15,00,000**	

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report - Not Applicable.
7. 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

Annexure – 5B

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 of the Company for the Financial Year 2018-19 is as under:

Name of the Director	Ratio of remuneration of each Director to Median remuneration
Pradip Kumar Khaitan, Chairman, Independent Director	1.88
Binod Kumar Khaitan, Independent Director	2.77
Ram Krishna Agarwal, Independent Director	2.38
Amrendra Prasad Verma, Independent Director	1.66
Mohua Banerjee, Independent Director (w.e.f. 8 February 2019)	0.28
Shermadevi Yegnaswami Rajagopalan, Non-Executive Non Independent Director	1.61
Vyas Mitre Ralli, Non-Executive Non Independent Director	1.14
Nityangi Kejriwal Jaiswal, Non-Executive Non Independent Director (up to 28 January 2019)	0.89
Umang Kejriwal, Managing Director	82.70
Mayank Kejriwal, Joint Managing Director	3.63
Uddhav Kejriwal, Whole-time Director	35.98
Mahendra Kumar Jalan, Whole-time Director	45.27

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the Financial Year 2018-19 is as under:

Name	% increase in Remuneration during the Financial Year 2018-19
Pradip Kumar Khaitan, Chairman, Independent Director	(33.98)
Binod Kumar Khaitan, Independent Director	(18.70)
Ram Krishna Agarwal, Independent Director	(49.71)
Amrendra Prasad Verma, Independent Director	(29.41)
Mohua Banerjee, Independent Director (w.e.f. 8 February 2019)	-
Shermadevi Yegnaswami Rajagopalan, Non-Executive Non Independent Director	(38.30)
Vyas Mitre Ralli, Non-Executive Non Independent Director	(49.38)
Nityangi Kejriwal Jaiswal, Non-Executive Non Independent Director (up to 28 January 2019)	(57.33)
Umang Kejriwal, Managing Director	23.58
Mayank Kejriwal, Joint Managing Director	(34.40)

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 ..... *(Contd.)*

Name	% increase in Remuneration during the Financial Year 2018-19
Uddhav Kejriwal, Whole-time Director	21.91
Mahendra Kumar Jalan, Whole-time Director	3.65
Sunil Katial, Chief Executive Officer (w.e.f. 29 January 2019)	-
Brij Mohan Soni, Chief Financial Officer	5.98
Subhra Giri Patnaik, Company Secretary	3.38

Notes :

1. Dr. Mohua Banerjee was appointed as an Additional Director (Independent) of the Company with effect from 8 February 2019. Therefore her remuneration for the current year is not comparable with the previous year.
2. Ms. Nityangi Kejriwal Jaiswal, Promoter, Non Independent Non-Executive Director, resigned from the Board of Directors with effect from 29 January 2019.
3. Mr. Sunil Katial was appointed as the Chief Executive Officer of the Company with effect from 29 January 2019. Therefore his remuneration for the current year is not comparable with the previous year.

(iii) The percentage increase in the median remuneration of employees in the Financial Year 2018-19: 5.25%.

(iv) The number of permanent employees on the rolls of Company: 1526 as on 31 March 2019.

(v) 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. 2018-19 was around 5.35% and the percentage increase in managerial remuneration for the said Financial Year was 15.07%. This was due to annual increments, promotions and event based pay revisions of the employees. During the year, there has been no exceptional increase in remuneration of Managerial Personnel.

(vi) 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.

For and on behalf of the Board of Directors

	Umang Kejriwal	Mahendra Kumar Jalan
Place: Kolkata	Managing Director	Whole-time Director
Date: 15 May 2019	DIN: 00065173	DIN: 00311883

Annexure – 6

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED – 31.03.2019

[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,
Rajgangpur
Sundergarh
Odisha - 770017

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 31.03.2019 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 31.03.2019 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

Secretarial Audit Report ..... *(Contd.)*

Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company;

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, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not applicable as no instances were reported during the year**.
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable as no debt securities were listed 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; **- Not applicable as no delisting was done during the year.**
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; - **Not applicable as no buy-back was done during the year.**
6. The following other Laws specifically applicable to the Company to the extent applicable to it-
   a) The Factories Act, 1948 and Rules
   b) The West Bengal Fire Services Act, 1950
   c) The Explosives Act, 1884
   d) The Petroleum Act, 1934

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India, with respect to General and Board Meetings.

ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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, 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.

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 also state that the following corporate events have taken place during the year under review:-

(i) Issue and allotment of 4,85,26,861 Equity Shares of Re. 1/- each, fully paid-up, for cash, at a premium of Rs. 27.85 per share, on preferential basis, to Promoter group and others, on 20.08.2018.

(ii) The Company has redeemed the following Secured Redeemable Non-Convertible Debentures (NCDs):

a. 50 Units (listed) of Series IV – 11.00% NCDs.

b. 125 Units (unlisted) of Series VI – 11.75% NCDs.

c. 75 Units (unlisted) of Series VII – 12.00% NCDs.

As on 31.03.2019, the Company had no outstanding NCDs.

(iii) Electrosteel Steels Ltd has ceased to be an Associate of the Company during the year;

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.

(S. M. Gupta)
Partner
S. M. Gupta & Co.
Company Secretaries
Firm Registration No. P1993WB046600
Membership No.: FCS-896
C P No.: 2053

Place: Kolkata
Date: 15.05.2019
Enclo: Annexure 'A' forming an integral part of this Report

Annexure – 'A'

To,
The Members
ELECTROSTEEL CASTINGS LIMITED
Regd. Office - Rathod Colony,
Rajgangpur, Sundergarh
Odisha- 770017

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. Wherever 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.

(S. M. Gupta)
Partner
S. M. Gupta & Co.
Company Secretaries
Firm Registration No. P1993WB046600
Membership No.: FCS-896
C P No.: 2053

Place: Kolkata
Date: 15.05.2019

Annexure – 7

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31 March 2019

[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.: 06624 220 332 Fax No.: 06624 220 332 E-mail Id: companysecretary@electrosteel.com
vi)	Whether listed company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Maheshwari Datamatics Pvt Ltd Registered Office: 23 R. N. Mukherjee Road, 5th 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	74.27%
2.	Ductile Iron Fittings	24311	10.04%

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%	Section 2(87) of the Companies Act, 2013
2.	Electrosteel Algerie Spa Rua Alioua Fodil Villa No. 130, Cheraga, 16002 Algiers, Algeria	04B96523400/16	Subsidiary	100%	Section 2(87) of 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%	Section 2(87) of the Companies Act, 2013
4.	Electrosteel USA, LLC 1101, Louisville Road, Savannah, GA 31415, USA	42-1762327	Subsidiary	100%	Section 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%	Section 2(87) of the Companies Act, 2013
6.	Electrosteel Trading, S.A. C/Velazquez, 19-28001, Madrid	A86354305	Subsidiary	100%	Section 2(87) of the Companies Act, 2013
7.	Mahadev Vyapaar Pvt Ltd* 25 Strand Road, Marshall House, Room No. 766, Kolkata 700 001, India	U51109WB2005PTC106882	Subsidiary	100%	Section 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%	Section 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%	Section 2(87) of the Companies Act, 2013
10.	Electrosteel Brasil Ltda Tubos e Conexoes Duteis Rua Dona Maria Paula, 78, cj 01 sala 4, Bela Vista Sao Paulo, SP CEP 0139-000	17.581.655/0001-01	Subsidiary	100%	Section 2(87) of the Companies Act, 2013

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 Flat 1, Building No. 966, Road 5217, Block 952, Area Ras Zuwayed Kingdom of Bahrain	CR No 92991-1	Subsidiary	100%	Section 2(87) of the Companies Act, 2013
12.	Electrosteel Bahrain Trading W.L.L Flat 1, Building No. 966, Road 5217, Block 952, Area Ras Zuwayed Kingdom of Bahrain	CR No 95221-1	Subsidiary of Electrosteel Bahrain Holding S.P.C. Company, referred to in Sl. No. 11	100%#	Section 2(87) of the Companies Act, 2013
13.	Srikalahasthi Pipes Limited Rachgunneri Village, Srikalahasthi Mandal, Chittoor District, Andhra Pradesh 517 641, India	L74999AP1991PLC013391	Associate	41.33%	Section 2(6) of the Companies Act, 2013
14.	Electrosteel Thermal Power Limited 801, Uma Shanti Apartments, Kanke Road, Ranchi, Jharkhand 834 008, India	U45207JH2006PLC012662	Associate	30%	Section 2(6) of the Companies Act, 2013
15.	North Dhadhu Mining Company Private Limited Sandhya Sukriti Apartment, Flat No. 6C, 6th Floor, Opposite Tagore Hill, Morabadi, Ranchi, Jharkhand 834 008, India	U10100JH2008PTC013349	Joint Venture	48.98%	Section 2(6) of the Companies Act, 2013
16.	Domco Private Limited 403 Commerce House, Sarda Babu Street, Ranchi, Jharkhand 834 001, India	U23101JH1988PTC002875	Joint Venture	50%	Section 2(6) of the Companies Act, 2013

* The Registered Office of Mahadev Vyapaar Pvt Ltd has been shifted to 'G. K. Tower, Ground Floor, 19 Camac Street, Kolkata 700 017, West Bengal, India', with effect from 1 April 2019.

49% of the shares are held directly and 51% of the shares are held in trust by a sponsor on behalf of Electrosteel Bahrain Holding S.P.C. Company.

Extract of Annual Return ..... *(Contd.)*

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2018)				No. of Shares held at the end of the year (as on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	4,09,80,703	0	4,09,80,703	11.48	4,09,90,703	0	4,09,90,703	10.11	(1.37)
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.	14,82,74,369	0	14,82,74,369	41.54	16,42,65,981	0	16,42,65,981	40.51	(1.03)
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)	18,92,55,072	0	18,92,55,072	53.02	20,52,56,684	0	20,52,56,684	50.62	(2.40)
(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)	18,92,55,072	0	18,92,55,072	53.02	20,52,56,684	0	20,52,56,684	50.62	(2.40)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	30,30,851	200	30,31,051	0.85	0	200	200	0.00	(0.85)
b) Banks / FI	5,84,715	9,580	5,94,295	0.17	25,63,877	9,580	25,73,457	0.63	0.46
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	2,04,31,031	0	2,04,31,031	5.72	1,86,49,039	0	1,86,49,039	4.60	(1.12)
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others - Foreign Portfolio Investors	31,86,646	0	31,86,646	0.89	2,72,71,127	0	2,72,71,127	6.73	5.84
Sub-total (B)(1)	2,72,33,243	9,780	2,72,43,023	7.63	4,84,84,043	9,780	4,84,93,823	11.96	4.33

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2018)				No. of Shares held at the end of the year (as on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,74,95,792	71,140	1,75,66,932	4.92	2,96,65,615	70,100	2,97,35,715	7.33	2.41
ii) Overseas	2,74,80,414	0	2,74,80,414	7.70	2,63,61,360	0	2,63,61,360	6.50	(1.20)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	6,07,05,536	21,78,246	6,28,83,782	17.62	6,03,27,236	18,38,825	6,21,66,061	15.33	(2.29)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2,86,42,270	0	2,86,42,270	8.02	3,00,09,445	0	3,00,09,445	7.40	(0.62)
c) Others (specify)									
i) Trusts	59,390	63,310	1,22,700	0.03	59,390	120	59,510	0.01	(0.02)
ii) Clearing Member	11,05,916	0	11,05,916	0.31	6,72,135	0	6,72,135	0.17	(0.14)
iii) NRI	19,00,432	34,800	19,35,232	0.54	18,96,709	34,800	19,31,509	0.48	(0.06)
iv) NBFCs registered with RBI	13,550	0	13,550	0.00	6,433	0	6,433	0.00	0.00
v) Investor Education and Protection Fund Authority Ministry of Corporate Affairs	7,06,431	0	7,06,431	0.20	7,89,508	0	7,89,508	0.19	(0.01)
Sub-total (B)(2)	13,81,09,731	23,47,496	14,04,57,227	39.35	14,97,87,831	19,43,845	15,17,31,676	37.42	(1.93)
Total Public Shareholding (B)=(B)(1)+(B)(2)	16,53,42,974	23,57,276	16,77,00,250	46.98	19,82,71,874	19,53,625	20,02,25,499	49.38	2.40
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**35,45,98,046**	**23,57,276**	**35,69,55,322**	**100.00**	**40,35,28,558**	**19,53,625**	**40,54,82,183**	**100**	**0.00**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2018)			Shareholding at the end of the year (as on 31-03-2019)			% change In share holding 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.	3,67,31,833	10.29	0.00	4,46,78,936	11.02	5.00	0.73
2.	Murari Investment & Trading Company Ltd	3,00,53,080	8.42	4.58	3,04,27,656	7.50	4.03	(0.92)
3.	Electrocast Sales India Limited	2,98,99,981	8.38	0.00	3,38,93,710	8.36	5.00	(0.02)
4.	G. K. Investments Limited	2,17,39,560	6.09	4.58	2,18,14,560	5.38	4.03	(0.71)
5.	Uttam Commercial Company Ltd.	1,85,90,570	5.21	0.00	2,21,81,774	5.47	0.00	0.26

Extract of Annual Return ..... *(Contd.)*

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01-04-2018)			Shareholding at the end of the year (as on 31-03-2019)			% change In share holding 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	
6.	Umang Kejriwal - Trustee of Sreeji Family Benefit Trust / Mayank Kejriwal - Trustee of Sreeji Family Benefit Trust	3,50,27,053	9.81	0.00	3,50,27,053	8.64	0.00	(1.17)
7.	Malay Commercial Enterprises Limited	37,48,190	1.05	0.00	37,48,190	0.92	0.00	(0.13)
8.	Sri Gopal Investments Ventures Ltd.	37,32,885	1.05	0.00	37,42,885	0.92	0.00	(0.13)
9.	Uddhav Kejriwal	32,29,540	0.90	0.00	32,39,540	0.80	0.00	(0.10)
10.	Cubbon Marketing Pvt. Limited	25,00,000	0.70	0.00	25,00,000	0.62	0.00	(0.08)
11.	Uddhav Kejriwal HUF	15,54,550	0.44	0.00	15,54,550	0.38	0.00	(0.06)
12.	Shashwat Kejriwal	7,73,010	0.22	0.00	7,73,010	0.19	0.00	(0.03)
13.	Quinline Dealcomm Private Limited	3,19,962	0.09	0.00	3,19,962	0.08	0.00	(0.01)
14.	Escal Finance Services Ltd.	2,50,000	0.07	0.00	2,50,000	0.06	0.00	(0.01)
15.	Ellenbarrie Developers Pvt. Ltd.	2,13,308	0.06	0.00	2,13,308	0.05	0.00	(0.01)
16.	Global Exports Ltd.	2,00,000	0.06	0.00	2,00,000	0.05	0.00	(0.01)
17.	Pallavi Kejriwal	1,87,950	0.05	0.00	1,87,950	0.05	0.00	0.00
18.	Greenchip Trexim Pvt. Limited	1,65,000	0.05	0.00	1,65,000	0.04	0.00	(0.01)
19.	Samriddhi Kejriwal	1,57,100	0.04	0.00	1,57,100	0.04	0.00	0.00
20.	Calcutta Diagnostics Centre (P) Ltd	1,30,000	0.04	0.00	1,30,000	0.03	0.00	(0.01)
21.	Mayank Kejriwal, Aarti Kejriwal - Trustee of Priya Manjari Trust	27,000	0.01	0.00	27,000	0.01	0.00	0.00
22.	Uddhav Kejriwal, Pallavi Kejriwal - Trustee of Samriddhi Trust	24,500	0.01	0.00	24,500	0.01	0.00	0.00
	Total	**18,92,55,072**	**53.02**	**9.15**	**20,52,56,684**	**50.62**	**18.06**	**(2.40)**

Note:

1. The shares held by the Promoters and Promoter Group have been clubbed on the basis of their PAN.

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	18,92,55,072	53.02		
	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.	20.08.2018				
	Electrocast Sales India Limited – Allotment under Preferential Issue	34,66,204	0.85	19,27,21,276	47.53
	Uttam Commercial Company Ltd. – Allotment under Preferential Issue	34,66,204	0.85	19,61,87,480	48.38
	G. K. & Sons Private Ltd. – Allotment under Preferential Issue	69,32,409	1.71	20,31,19,889	50.09
2.	07.09.2018				
	G. K. Investments Limited – Transfer	15,000	0.00	20,31,34,889	50.10
	Murari Investment & Trading Company Ltd – Transfer	15,000	0.00	20,31,49,889	50.10
3.	14.09.2018				
	Electrocast Sales India Limited – Transfer	6,889	0.00	20,31,56,778	50.10
	G. K. & Sons Private Ltd. – Transfer	12,594	0.00	20,31,69,372	50.11
	Murari Investment & Trading Company Ltd – Transfer	27,287	0.01	20,31,96,659	50.11
	G. K. Investments Limited – Transfer	30,000	0.01	20,32,26,659	50.12
4.	21.09.2018				
	Electrocast Sales India Limited – Transfer	68,250	0.02	20,32,94,909	50.14
	G. K. & Sons Private Ltd. – Transfer	70,694	0.02	20,33,65,603	50.15
5.	28.09.2018				
	Electrocast Sales India Limited – Transfer	90,000	0.02	20,34,55,603	50.18
	G. K. & Sons Private Ltd. – Transfer	20,000	0.00	20,34,75,603	50.18
6.	05.10.2018 Electrocast Sales India Limited - Transfer	1,00,000	0.02	20,35,75,603	50.21
7.	12.10.2018				
	Uttam Commercial Company Ltd. – Transfer	50,000	0.01	20,36,25,603	50.22
	G. K. & Sons Private Ltd. – Transfer	50,000	0.01	20,36,75,603	50.23
8.	19.10.2018				
	Uttam Commercial Company Ltd. – Transfer	50,000	0.01	20,37,25,603	50.24
	Murari Investment & Trading Company Ltd – Transfer	1,00,000	0.02	20,38,25,603	50.27
	G. K. & Sons Private Ltd. – Transfer	1,00,000	0.02	20,39,25,603	50.29

Extract of Annual Return ..... *(Contd.)*

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
9.	26.10.2018				
	Murari Investment & Trading Company Ltd – Transfer	1,32,000	0.03	20,40,57,603	50.32
	G. K. & Sons Private Ltd. – Transfer	1,82,000	0.04	20,42,39,603	50.37
10.	02.11.2018				
	Murari Investment & Trading Company Ltd – Transfer	94,824	0.02	20,43,34,427	50.39
	G. K. & Sons Private Ltd. – Transfer	96,249	0.02	20,44,30,676	50.42
11.	09.11.2018				
	G. K. & Sons Private Ltd. – Transfer	4,306	0.00	20,44,34,982	50.42
	Murari Investment & Trading Company Ltd – Transfer	5,465	0.00	20,44,40,447	50.42
12.	23.11.2018				
	G. K. & Sons Private Ltd. - Transfer	1,00,000	0.02	20,45,40,447	50.44
13.	30.11.2018				
	G. K. & Sons Private Ltd. - Transfer	2,48,851	0.06	20,47,89,298	50.51
14.	07.12.2018				
	G. K. Investments Limited – Transfer	30,000	0.01	20,48,19,298	50.51
	G. K. & Sons Private Ltd. – Transfer	1,30,000	0.03	20,49,49,298	50.54
15.	08.02.2019				
	Electrocast Sales India Limited - Transfer	70,347	0.02	20,50,19,645	50.56
16.	15.02.2019				
	Electrocast Sales India Limited - Transfer	1,92,039	0.05	20,52,11,684	50.61
17.	22.02.2019				
	Uttam Commercial Company Ltd.- Transfer	25,000	0.01	20,52,36,684	50.62
18.	22.03.2019				
	Uddhav Kejriwal – Transfer	10,000	0.00	20,52,46,684	50.62
	Sri Gopal Investments Ventures Ltd. – Transfer	10,000	0.00	20,52,56,684	50.62
	At the end of the year			20,52,56,684	50.62

Note:

1. Date of increase/decrease has been considered as the date on which beneficiary position was provided by the Depositories to the Company.

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	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	Date[1]	Increase / Decrease	Reason	No. of shares	% of total shares of the Company
1.	SML Steel Metals (Cyprus) Limited	1,92,43,836	5.39	01.04.2018				
				31.12.2018	(11,183)	Transfer	1,92,32,653	4.74
				04.01.2019	(58,522)	Transfer	1,91,74,131	4.73
				11.01.2019	(27,900)	Transfer	1,91,46,231	4.72
				18.01.2019	(39,383)	Transfer	1,91,06,848	4.71
				25.01.2019	(57,531)	Transfer	1,90,49,317	4.70
				01.02.2019	(92,242)	Transfer	1,89,57,075	4.68
				08.03.2019	(10,631)	Transfer	1,89,46,444	4.67
				15.03.2019	(8,21,662)	Transfer	1,81,24,782	4.47
				31.03.2019			1,81,24,782	4.47
2.	PGS Invest Corp	82,36,578	2.31	01.04.2018 31.03.2019	No change during the year		82,36,578	2.03
3.	General Insurance Corporation of India	78,71,084	2.21	01.04.2018 31.03.2019	No change during the year		78,71,084	1.94
4.	United India Insurance Company Limited	65,79,481	1.84	01.04.2018 31.03.2019	No change during the year		65,79,481	1.62
5.	S. Shyam	44,30,337	1.24	01.04.2018				
				28.09.2018	(6,62,000)	Transfer	37,68,337	0.93
				25.01.2019	6,62,000	Transfer	44,30,337	1.09
				31.03.2019			44,30,337	1.09
6.	Life Insurance Corporation of India	37,93,318	1.06	01.04.2018 31.03.2019	No change during the year		37,93,318	0.94
7.	ICICI Prudential Dynamic Plan[2]	30,30,851	0.85	01.04.2018				
				18.05.2018	(3,05,050)	Transfer	27,25,801	0.76
				25.05.2018	(76,456)	Transfer	26,49,345	0.74
				01.06.2018	(2,52,143)	Transfer	23,97,202	0.67
				27.07.2018	(22,992)	Transfer	23,74,210	0.67
				03.08.2018	(71,524)	Transfer	23,02,686	0.65
				10.08.2018	(1,65,947)	Transfer	21,36,739	0.60
				17.08.2018	(77,828)	Transfer	20,58,911	0.58
				24.08.2018	(50,437)	Transfer	20,08,474	0.50
				31.08.2018	(3,53,997)	Transfer	16,54,477	0.41
				07.09.2018	(1,35,982)	Transfer	15,18,495	0.37
				14.09.2018	(1,468)	Transfer	15,17,027	0.37
				21.09.2018	(44,155)	Transfer	14,72,872	0.36
				28.09.2018	(48,523)	Transfer	14,24,349	0.35
				05.10.2018	(44,451)	Transfer	13,79,898	0.34
				12.10.2018	(2,63,600)	Transfer	11,16,298	0.28
				19.10.2018	(7,77,695)	Transfer	3,38,603	0.08
				26.10.2018	(3,38,603)	Transfer	0	0.00
				31.03.2019			0	0.00

Extract of Annual Return ..... *(Contd.)*

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	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	Date[1]	Increase / Decrease	Reason	No. of shares	% of total shares of the Company
8.	Shivasaran Enterprises & Advisory LLP	29,01,000	0.81	01.04.2018				
				01.06.2018	(92,907)	Transfer	28,08,093	0.79
				08.06.2018	(97,564)	Transfer	27,10,529	0.76
				15.06.2018	(1,63,246)	Transfer	25,47,283	0.71
				01.03.2019	10,000	Transfer	25,57,283	0.63
				31.03.2019			25,57,283	0.63
9.	Koushik Sekhar[2]	23,12,378	0.65	01.04.2018				
				08.02.2019	65,000	Transfer	23,77,378	0.59
				01.03.2019	18,065	Transfer	23,95,443	0.59
				08.03.2019	3,260	Transfer	23,98,703	0.59
				31.03.2019			23,98,703	0.59
10.	Vijaya S[2]	21,64,269	0.61	01.04.2018				
				12.10.2018	1,25,954	Transfer	22,90,223	0.56
				31.03.2019			22,90,223	0.56
11.	Vinithra Sekhar[3]	19,52,679	0.55	01.04.2018				
				21.09.2018	2,73,572	Transfer	22,26,251	0.55
				28.09.2018	1,23,726	Transfer	23,49,977	0.58
				12.10.2018	5,814	Transfer	23,55,791	0.58
				02.11.2018	94,186	Transfer	24,49,977	0.60
				31.03.2019			24,49,977	0.60
12.	India Opportunities Growth Fund Ltd - Pinewood Strategy[3]	0	0.00	01.04.2018				
				20.08.2018	2,25,30,329	Allotment	2,25,30,329	5.56
				19.10.2018	50,000	Transfer	2,25,80,329	5.57
				26.10.2018	1,53,219	Transfer	2,27,33,548	5.61
				02.11.2018	35,478	Transfer	2,27,69,026	5.62
				07.12.2018	1,10,180	Transfer	2,28,79,206	5.64
				14.12.2018	1,50,794	Transfer	2,30,30,000	5.68
				21.12.2018	1,10,000	Transfer	2,31,40,000	5.71
				28.12.2018	1,21,328	Transfer	2,32,61,328	5.74
				31.12.2018	25,000	Transfer	2,32,86,328	5.74
				04.01.2019	1,00,000	Transfer	2,33,86,328	5.77
				11.01.2019	1,50,001	Transfer	2,35,36,329	5.80
				18.01.2019	1,25,000	Transfer	2,36,61,329	5.84
				25.01.2019	1,75,000	Transfer	2,38,36,329	5.88
				01.02.2019	1,41,729	Transfer	2,39,78,058	5.91
				08.02.2019	1,00,000	Transfer	2,40,78,058	5.94
				15.02.2019	(86,277)	Transfer	2,39,91,781	5.92
				31.03.2019			2,39,91,781	5.92

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	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	Date[1]	Increase / Decrease	Reason	No. of shares	% of total shares of the Company
11.	Rohak Merchants Private Limited[3]	0	0.00	01.04.2018 20.08.2018 31.03.2019	 1,21,31,715	 Allotment	 1,21,31,715 1,21,31,715	 2.99 2.99

Notes:

1. The Company is listed and 99.52% shareholding is in demat form as on 31 March 2019. Date of increase/decrease has been considered as the date on which beneficiary position was provided by the Depositories to the Company.
2. Ceased to be in the list of top 10 shareholders as on 31.03.2019. The details are provided above as the shareholder was appearing in the list of top 10 shareholders as on 01.04.2018.
3. Not in the list of top 10 shareholders as on 01.04.2018. The details are provided above as the shareholder was one of the top 10 shareholders as on 31.03.2019.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Director / KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year			Cumulative Shareholding during the year	
	For each of the Directors and KMP	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 - Independent Director	0	0.00	01.04.2018 31.03.2019	No change during the year		0	0.00
2.	Umang Kejriwal, Managing Director	0	0.00	01.04.2018 31.03.2019	No change during the year		0	0.00
3.	Mayank Kejriwal, Joint Managing Director	0	0.00	01.04.2018 31.03.2019	No change during the year		0	0.00
4.	Uddhav Kejriwal, Whole-time Director	32,29,540	0.90	01.04.2018 22.03.2019 31.03.2019	 10,000	 Transfer	 32,39,540 32,39,540	 0.80 0.80
5.	Binod Kumar Khaitan, Independent Director	2,000	0.00	01.04.2018 31.03.2019	No change during the year		2,000	0.00
6.	Amrendra Prasad Verma, Independent Director	0	0.00	01.04.2018 31.03.2019	No change during the year		0	0.00
7.	Ram Krishna Agarwal, Independent Director	1,000	0.00	01.04.2018 31.03.2019	No change during the year		1,000	0.00
8.	Mohua Banerjee, Independent Director[2]	0	0.00	01.04.2018 31.03.2019	No change during the year		0	0.00
9.	Shermadevi Yegnaswami Rajagopalan, Non-Executive Director	5,100	0.00	01.04.2018 31.03.2019	No change during the year		5,100	0.00
10.	Mahendra Kumar Jalan, Whole-time Director	1,750	0.00	01.04.2018 31.03.2019	No change during the year		1,750	0.00
11.	Nityangi Kejriwal Jaiswal, Non-Executive Director[3]	0	0.00	01.04.2018 31.03.2019	No change during the year		0	0.00

Extract of Annual Return ..... *(Contd.)*

Sl. No.	Name of the Director / KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year			Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of shares	% of total shares of the Company	Date	Increase / Decrease	Reason	No. of shares	% of total shares of the Company[1]
12.	Vyas Mitre Ralli, Non-Executive Director	5,000	0.00	01.04.2018 31.03.2019	No change during the year		5,000	0.00
13.	Sunil Katial, Chief Executive Officer[4]	0	0.00	01.04.2018 31.03.2019	No change during the year		0	0.00
14.	Brij Mohan Soni, Chief Financial Officer	1,000	0.00	01.04.2018 31.03.2019	No change during the year		1,000	0.00
15.	Subhra Giri Patnaik, Company Secretary	0	0.00	01.04.2018 31.03.2019	No change during the year		0	0.00

Notes:

1. 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. Dr. Mohua Banerjee was appointed as an Additional Director (Independent) of the Company with effect from 8 February 2019.
3. Ms. Nityangi Kejriwal Jaiswal ceased to be the Director of the Company with effect from 29 January 2019.
4. Mr. Sunil Katial was appointed as the Chief Executive Officer of the Company with effect from 29 January 2019.

V. INDEBTEDNESS

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

Amount (Rs. in Lakh)

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2018)				
i) Principal Amount[1]	1,41,744.82	14,629.45	–	1,56,374.27
ii) Interest due but not paid	38.24	–	–	38.24
iii) Interest accrued but not due	992.73	–	–	992.73
Total (i+ii+iii)	**1,42,775.79**	**14,629.45**	**–**	**1,57,405.24**
Change in Indebtedness during the financial year				
Additions	1,10,861.01	7,999.50	–	1,18,860.51
Reduction	1,07,302.10	6,484.97	–	1,13,787.07
Net Change	**3,558.91**	**1,514.53**	**–**	**5,073.44**
Indebtedness at the end of the financial year (31.03.2019)				
i) Principal Amount	1,45,714.11	16,143.98	–	1,61,858.09
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	620.58	–	–	620.58
Total (i+ii+iii)	**1,46,334.69**	**16,143.98**	**–**	**1,62,478.67**

Note: 1. Includes Rs.1,962.04 lakh towards suppliers credit from banks.

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				
		Umang Kejriwal	Mayank Kejriwal	Uddhav Kejriwal	Mahendra Kumar Jalan	Total Amount
		Managing Director	Joint Managing Director	Whole-time Director	Whole-time Director	
1.	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,55,00,000	4,50,000	1,14,00,000	1,47,96,252	5,21,46,252
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	13,69,568	8,48,408	4,30,634	7,57,961	34,06,571
	(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 (A)	2,68,69,568	12,98,408	1,18,30,634	1,55,54,213	5,55,52,823
	Ceiling as per the Act (as per Schedule V)	Rs.269.04 lakh	Rs.269.04 lakh	Rs.212.99 lakh	Rs.269.04 lakh	

B. Remuneration to other directors

Amount in Rs.

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Pradip Kumar Khaitan	Binod Kumar Khaitan	Ram Krishna Agarwal	Amrendra Prasad Verma	Mohua Banerjee**	Shermadevi Yegnaswami Rajagopalan	Nityangi Kejriwal Jaiswal***	Vyas Mitre Ralli	
		Independent Directors					Non-Executive, Non-Independent Director			
1.	Independent Directors									
	(a) Fee for attending board/ committee/ other meetings	6,80,000	10,00,000	8,60,000	6,00,000	1,00,000	–	–	–	32,40,000
	(b) Commission	–	–	–	–	–	–	–	–	–
	(c) Others, please specify	–	–	–	–	–	–	–	–	–
	Total (1)	6,80,000	10,00,000	8,60,000	6,00,000	1,00,000	–	–	–	32,40,000

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Pradip Kumar Khaitan	Binod Kumar Khaitan	Ram Krishna Agarwal	Amrendra Prasad Verma	Mohua Banerjee**	Shermadevi Yegnaswami Rajagopalan	Nityangi Kejriwal Jaiswal***	Vyas Mitre Ralli	
		Independent Directors					Non-Executive, Non-Independent Director			
2.	Other Non-Executive Directors									
	(a) Fee for attending board/ committee meetings	–	–	–	–	–	5,80,000	3,20,000	4,10,000	13,10,000
	(b) Commission	–	–	–	–	–	–	–	–	–
	(c) Others, please specify	–	–	–	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	5,80,000	3,20,000	4,10,000	13,10,000
	Total (B)=(1+2)	6,80,000	10,00,000	8,60,000	6,00,000	1,00,000	5,80,000	3,20,000	4,10,000	45,50,000
	Total Managerial Remuneration * (A+B)									6,01,02,823
	Overall Ceiling as per the Act	Not applicable as only sitting fees paid								

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

** Dr. Mohua Banerjee was appointed as an Additional Director (Independent) of the Company with effect from 8 February 2019.

*** Ms. Nityangi Kejriwal Jaiswal ceased to be the Director of the Company with effect from 29 January 2019.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Executive Officer	Chief Financial Officer	Company Secretary	
		Sunil Katial*	Brij Mohan Soni	Subhra Giri Patnaik	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	29,48,065	66,68,800	33,25,600	1,29,42,465
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2,69,440	3,02,646	68,004	6,40,090
	(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	32,17,505	69,71,446	33,93,604	1,35,82,555

* Mr. Sunil Katial has been appointed as the Chief Executive Officer of the Company, with effect from 29 January 2019.

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	–	–	–	–	–

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
DIN: 00065173

Mahendra Kumar Jalan
Whole-time Director
DIN: 00311883

Place: Kolkata
Date: 15 May 2019

Annexure – 8

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]

A) CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy:

- Automation of Hopper heating burners at DIW have resulted in reduction in fuel oil consumption in this area by 20-30%.
- Oxygen injection in Annealing Furnace resulted in reduction of fuel oil consumption by approx. 30%.
- In Khardah Works, VVVF drives have been installed in Cooling water pumps & Hot air blowers to reduce energy consumption of these equipments by approx. 40–50%.
- Introducing insulating boards in hot metal ladles have resulted in reduction of heat loss by approx. 20%.
- Incorporation of Automatic control in MBF tap hole dust collection system has resulted in saving of approx. 5% electrical energy in this area.
- Installation of energy efficient LED lights replacing conventional lamps and energy efficient ceiling fans replacing conventional fans in Khardah Works LMW, DIW & Fittings Casting areas have resulted in reduction of energy consumption by approx. 30% for these equipments.
- Entire lighting system of newly set up Ferro Alloy Plant in Haldia has been made of energy efficient LED lights.
- All the new equipments (continuous duty) installed during the year in Khardah and Haldia Works have been equipped with energy efficient (IE3 class) motors.

ii) The steps taken by the Company for utilising alternate sources of energy:

- 15 KWp roof-top solar power generating facility has been commissioned for supplying power to Khardah Works canteen building.
- Action has been taken to introduce Blast Furnace Gas (a process byproduct) as fuel in Main Annealing Furnace soaking zone replacing fuel oil partially. Project commissioning is scheduled in 2019-20.

iii) The capital investment on energy conservation equipments:

The Company has made a total capital investment amounting to Rs.74 lakh during the Financial Year 2018-19 on energy conservation equipments.

B) TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption:

Company continues to produce World Class paint in their manufacturing facility and the quality is approved by the best laboratories in the world.

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

A number of imported paints is substituted by the paint developed by the Company in-house. This has helped the Company to improve its bottom-line.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial 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

iv) The expenditure incurred on Research and Development:

  The expenditure incurred by the Company towards Research and Development during the Financial Year 2018-19 amounted to Rs.111.17 Lakh.

C) FOREIGN EXCHANGE EARNINGS & OUTGO

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

Foreign Exchange Earned :	Rs.1,046.82 Crore
Foreign Exchange Outgo :	Rs.691.13 Crore

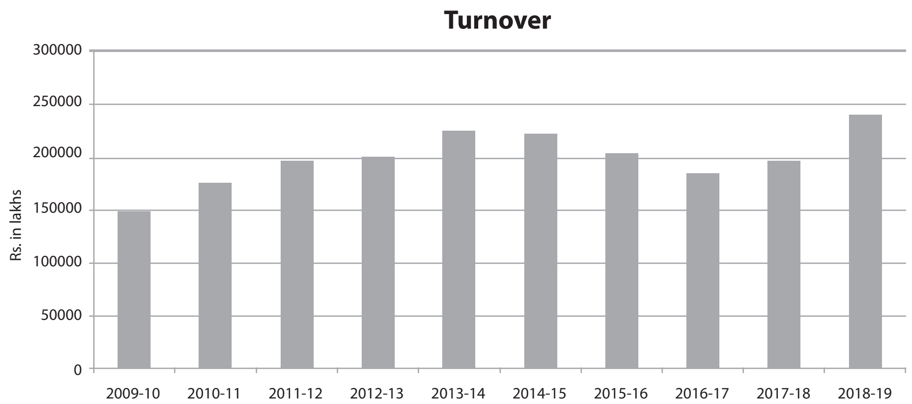
For and on behalf of the Board of Directors

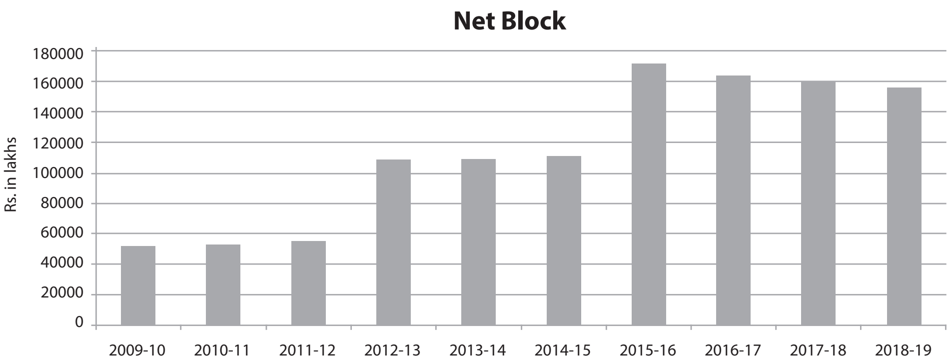
	Umang Kejriwal	Mahendra Kumar Jalan
Place: Kolkata	Managing Director	Whole-time Director
Date: 15 May 2019	DIN: 00065173	DIN: 00311883

Ten Years Financial Summary

Rs. in Lakhs

Year	Revenue from Operation	Earnings before Depreciation, Finance cost and Tax Expense (EBDIT)	Depreciation	Tax	Profit after Tax	Gross Block	Net Block	Capital Employed
2009-10	146664.11	40428.63	5230.06	10162.78	20628.89	84200.94	52462.54	287267.53
2010-11	174967.18	31698.08	5441.26	6025.00	15463.74	91435.90	53084.79	320054.39
2011-12	195671.85	17749.38	5426.03	-1979.72	4238.28	99166.78	55547.65	351714.07
2012-13	198231.53	28530.93	5308.68	2375.36	9722.71	158917.71	109450.41	465227.91
2013-14	223509.05	32475.39	5296.71	3540.88	10055.84	164668.04	109462.80	487165.21
2014-15	220328.82	30908.27	6743.00	2366.49	7267.16	174316.05	110880.11	499985.06
2015-16	201615.28	30595.05	6488.50	1611.74	5587.02	177804.26	171425.17	517183.25
2016-17	183207.85	37323.04	6368.85	3120.73	7728.30	176281.82	163991.26	508003.98
2017-18	194366.44	30512.54	5921.85	-339.78	4698.64	177964.68	160261.49	470686.16
2018-19	239060.75	-37911.95	5481.79	-2348.16	-63585.80	178392.85	155917.87	424563.46





STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Report

To The Members of Electrosteel Castings Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of Electrosteel Castings Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 , as amended (Ind As) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

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

a) Note no. 47 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.

b) Note No. 7A.2 in respect to Company's investment amounting to Rs. 1653.76 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble Calcutta High Court. Further certain fixed assets of Elavur plant of the Company which are mortgaged in favour of a Lender of ESL, has assigned their rights to another entity which has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

c) *Impacts with respect to (a) & (b) above are presently not ascertainable and as such cannot be commented upon by us.*

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, for example Corporate Overview, Key Highlights, Board's Report, Report on Corporate Governance, Management Discussion & Analysis Report, etc., but does not include the Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis for qualified opinion section, we have determined the matters described below as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.

Independent Auditors' Report *(Contd.)*

Key audit matters	How our audit addressed the key audit matter
Provision for taxation, litigations and disclosures of contingent liabilities	
The Company is exposed to different laws, regulations and interpretations thereof. The company is also subject to number of significant claims and litigations. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature. At March 31, 2019, the Company has carried forward non-current income tax liabilities of 4242.05 Lakhs [Refer Note 26 to the financial statements]. Further, the Company has disclosed significant pending legal cases with respect to Kodilabad mines [Refer Note 48a to the financial statements] and other material contingent liabilities [Refer Note 54 to the financial statements]. We considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.	Our audit procedures included among others: I. Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities; II. Analyzed significant changes/ update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change; III. Discussed the status of significant known actual and potential litigations with the management & noted that information placed before the board for such cases and IV. Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.
Recoverability of Government Grant	
The company has been entitled for various sales tax incentives under Industrial promotion scheme issued by the State Government. The company had complied with the conditions of such scheme and incentives were accounted for in the books in earlier years. A sum of Rs. 4680.58 Lakhs (grouped under other financial assets in note no. 18) is outstanding against said incentive as on 31st March 2019. We determined this to be a matter of significance to our audit due to the quantum of the government grant outstanding, compliance requirement of the scheme and also because of recovery pattern of the same.	I. Evaluating eligibility requirements of schemes and compliances by the company. II. Understanding and testing the design and operating effectiveness of controls as established by the management in recognition and assessment of the recoverability of the grant. III. Considering the relevant notifications to ascertain the basis for determination, completion of performance obligation and assessing the appropriateness of the management estimates for accounting of government grant and timing of recognition & past receipt of the grants.

Key audit matters	How our audit addressed the key audit matter
Inventory measurement	
The company deals with various types of bulk material & Finished goods such as ductile & Iron pipes, pipe fittings, coal, coke & Iron Ore etc. The total inventory of such materials amounts to Rs. 39962.57 lakhs as on March 31, 2019. (refer note no. 12). The measurement of these inventories involved certain estimations/ assumption and also involved volumetric measurements. Measurement of some of these inventories also involved consideration of handling loss, moisture loss/gain, spillage etc. and thus required assistance of technical expertise. We determined this to be a matter of significance to our audit due to quantum of the amount & estimation involved.	I. Obtained the understanding of the management with regards to internal financial controls relating of Inventory management. II. The company has also deployed an independent agency for verification of bulk Materials during which our team were present to oversee those entire materials is being verified. We have reviewed the internal verification process by the management for certain inventory items. III. We have reviewed the report submitted by external agency and obtained reasons/explanation for such differences and also confirmed the adjustment made by the company in accordance with the policy confirmed by the board of directors.

Responsibilities of Management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either

Independent Auditors' Report *(Contd.)*

intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 the branch not visited by us;

Independent Auditors' Report *(Contd.)*

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branch 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 aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act . read with Companies (Indian Accounting Standards) Rules, 2015,as amended;

e) The matters 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, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

j) 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, as amended 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 of Qualified Opinion paragraph impact whereof are presently not ascertainable, impacts of pending litigations (Other than those already recognised in the accounts) on the financial position of the Company have been disclosed in the standalone financial statement as required in terms of the Ind AS and provisions of the Companies Act, 2013 - Refer Note No. 54 to the Standalone Financial Statements.

   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 no. 45 to the Standalone Financial Statements; and

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

For Singhi & Co.
Chartered Accountants
Firm's Registration No. : 302049E

(Gopal Jain)
Partner
Membership No. : 59147

Place : Kolkata
Date : May 15, 2019

ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE

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 except in respect of fixed assets located at Parbatpur Coal Block for reasons stated in Note No. 47(a). As informed, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except as detailed below: (Refer Note no. 5.3 of the Standalone Financial Statements)

(Amount Rs. In Lakhs)

Nature of Immovable Properties	Gross Block	Net Block
Freehold Land	335.81	335.81

II. a. As informed, the inventories of the Company except for materials in transit, finished goods lying with third parties and inventories lying at Parbatpur Coal Block for reasons stated in Note no. 47(a), have been physically verified by the management at the reasonable intervals. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books.

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.

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 according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

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 there under.

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 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, Employees' State Insurance, Income Tax, Sales Tax, Service tax, duty of Custom, duty of Excise, Value Added Tax, Goods & Service Tax, Cess and other material statutory dues as applicable to it. No dues were in arrears as on 31st March 2019 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, goods & service tax, excise duty, service tax, and Cess, if any, as at 31st March, 2019, 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
Sales Tax Act	Sales Tax/ Vat	560.81	2008-13	Tribunal
		5801.38	1974-78, 85-87, 1997-98, 1999-00, 1989-93, 2006-13	West Bengal Appellate & Revisional Board
		75.52	2013-14	Commissioner
		247.21	2002-03	Special Commissioner
		523.52	2013-16	Additional Commissioner
		36.95	2004-05, 2014-15	Joint Commissioner
Central Excise Act	Excise Duty	49.97	1998-1999 TO 2014-2015	CESTAT(Tribunal)
		10.77	2008-2009	Addl. Director Gen. DRI
		3241.92	2002-2003 to 2004-2005	Commissioner
		1.02	2005-2006 to 2006-2007	Assistant Commissioner
Central Excise Act	Service Tax	20.29	2004-05 to 2006-07	Hon'ble Madras High Court
		470.84	2007-2008 to 2011-2016	CESTAT(Tribunal)
		149.70	2005-06 to 2011-12, 2015-18	Commissioner (Appeal)
		394.19	2002-2003 to 2006-2009	Additional Commissioner
		627.57	2003-2004 to 2007-2008	Commissioner

ANNEXURE “A” TO THE AUDITORS' REPORT OF EVEN DATE *(Contd.)*

VIII. 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.

IX. In our opinion and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments), however term loans raised during the year have been utilized for the purposes for which they were raised.

X. 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.

XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

XII. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

XIV. According to the information and explanations given to us and based on our examination of the records of the Company, preferential allotment of equity shares made during the year is in compliance with section 42 of the Act and the amount raised by such allotment have been used for the purposes for which the amounts were raised.

XV. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Singhi & Co.
Chartered Accountants
Firm’s Registration No. : 302049E

(Gopal Jain)
Partner
Membership No. : 59147

Place : Kolkata
Date : May 15, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Electrosteel Castings Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. : 302049E

(Gopal Jain)
Partner
Membership No. : 59147

Place : Kolkata
Date : May 15, 2019

Balance Sheet as at March 31, 2019

(Amount Rs. in lakhs)

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non–current assets			
(a) Property, Plant and Equipment	5	**15,58,21.30**	16,00,41.32
(b) Capital work–in–progress	49 and 50	**12,36,56.40**	12,01,77.59
(c) Other Intangible assets	6	**96.57**	2,20.17
(d) Investments in subsidiaries, associates and joint ventures	7	**5,31,47.24**	11,45,62.93
(e) Financial Assets			
(i) Investments	7A	**21,34.88**	34.09
(ii) Trade receivables	8	**-**	1,28.40
(iii) Loans	9	**13,67.67**	21,85.23
(iv) Other financial assets	10	**35,00.00**	36,49.47
(f) Other non–current assets	11	**2,62.74**	4,22.42
		33,99,86.80	40,14,21.62
Current assets			
(a) Inventories	12	**5,63,11.21**	4,08,32.84
(b) Financial Assets			
(i) Investments	13	**75.81**	84.15
(ii) Trade receivables	14	**6,01,16.38**	5,58,57.80
(iii) Cash and cash equivalents	15	**56,46.93**	67,90.37
(iv) Bank balances other than (iii) above	16	**75,04.61**	1,35,53.05
(v) Loans	17	**21,30.06**	13,36.38
(vi) Other financial assets	18	**1,92,94.95**	1,72,77.34
(c) Other current assets	19	**58,62.33**	2,28,00.76
		15,69,42.28	15,85,32.69
Total Assets		**49,69,29.08**	55,99,54.31
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	20	**40,54.82**	35,69.55
(b) Other Equity	21	**23,37,55.14**	28,56,25.01
		23,78,09.96	28,91,94.56
Liabilities			
Non–current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	**8,34,84.15**	8,45,76.28
(b) Provisions	23	**19,13.52**	18,67.59
(c) Deferred tax liabilities (Net)	24	**2,48,95.41**	2,70,79.36
(d) Other non–current liabilities	25	**1,59,77.84**	1,79,73.08
(e) Non–current tax liabilities (Net)	26	**42,42.05**	42,19.00
		13,05,12.97	13,57,15.31
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	**6,33,61.52**	4,40,17.25
(ii) Trade payables	28		
(a) Total Outstanding dues of Micro enterprises and small enterprises: and		**38.24**	-
(b) Total Outstanding of creditor other than Micro enterprises and small enterprises		**2,76,40.45**	2,78,79.77
(iii) Other financial liabilities	29	**1,77,30.75**	3,08,05.44
(b) Other current liabilities	30	**1,79,87.01**	2,89,39.05
(c) Provisions	31	**18,48.18**	19,20.46
(d) Current Tax Liabilities (Net)	32	**-**	14,82.47
		12,86,06.15	13,50,44.44
Total Equity and Liabilities		**49,69,29.08**	55,99,54.31

Significant accounting policies and other accompanying notes (1 to 61) form an integral part of the financial statements

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Kolkata
May 15, 2019

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2019

(Amount Rs. in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue From Operations	33	**23,90,60.75**	20,26,07.56
Other Income	34	**64,13.50**	81,06.87
Total income		**24,54,74.25**	21,07,14.43
EXPENSES			
Cost of materials consumed	35	**11,05,88.28**	8,60,67.67
Purchases of stock–in–trade	36	**56,41.66**	78,00.88
Changes in inventories of finished goods, stock–in–trade and work–in–progress	37	**(62,68.58)**	(32.74)
Employee benefits expense	38	**1,94,16.31**	1,81,71.51
Finance costs	39	**2,25,40.22**	2,02,31.83
Depreciation and amortisation expense	40	**54,81.79**	59,21.85
Other expenses	41	**7,50,18.45**	6,81,94.57
Total expenses		**23,24,18.13**	20,63,55.57
Profit / (Loss) before exceptional items and tax	42	**1,30,56.12**	43,58.86
Exceptional Items		**(7,89,90.08)**	-
Profit /(Loss) before tax		**(6,59,33.96)**	43,58.86
Tax expense :	43		
Current tax		**-**	25,03.00
Deferred tax		**(23,48.16)**	(11,18.64)
Related to earlier year		**-**	(17,24.14)
Profit for the year		**(6,35,85.80)**	46,98.64
Other Comprehensive Income	44		
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		**1,88.18**	14.33
b) Equity instruments through other comprehensive income		**(6,23.72)**	(9.09)
(ii) Income tax relating to items that will not be reclassified to profit or loss	43.2	**(70.75)**	(1.91)
B (i) Items that will be reclassified to profit or loss			
a) Effective portion of Cash flow hedge reserve		**2,67.44**	2,90.25
(ii) Income tax relating to items that will be reclassified to profit or loss	43.2	**(93.46)**	(99.55)
Other Comprehensive Income for the year (net of tax)		**(3,32.31)**	1,94.03
Total Comprehensive Income for the year		**(6,39,18.11)**	48,92.67
Earnings per equity share of par value of Re. 1 each.	51		
(1) Basic (Rs.)		**(16.44)**	1.32
(2) Diluted (Rs.)		**(16.44)**	1.32

Significant accounting policies and other accompanying notes (1 to 61) form an integral part of the financial statements.

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 15, 2019

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

Statement of changes in Equity for the year ended March 31, 2019

A. Equity Share Capital	**Amount (Rs. in lakhs)**
Balance as at April 1, 2017	35,69.55
Changes during the year	-
Balance as at March 31, 2018	35,69.55
Changes during the year	4,85.27
Balance as at March 31, 2019	**40,54.82**

Note : During the year, the company had issued 4,85,26,861 numbers of equity shares of Re. 1 each at a premium of Rs. 27.85 each (full figure) on preferential basis. The equity shares were allotted on August 20, 2018.

(Amount Rs. in lakhs)

B. Other Equity

As at March 31, 2019

Particulars	Reserve & Surplus					Items of Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	General Reserve	Debenture Redemption Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow hedges	
Balance as at April 01, 2018	41,48.28	6,55,90.26	10,10,07.51	62,50.00	10,87,86.28	16.66	(1,73.98)	28,56,25.01
Total Comprehensive Income for the year	-	-	-	-	(63,585.80)	(628.71)	1,73.98	(64,040.53)
Re-measurement of defined benefit plans					1,22.42			1,22.42
Dividends including dividend distribution tax	-	-	-	-	(14,66.49)	-	-	(14,66.49)
Transfer to Retained Earnings from Debenture Redemption Reserve	-	-	-	(6,250.00)	62,50.00	-	-	-
On issuance of 4,85,26,861 equity shares during the year	-	1,35,14.73	-	-		-	-	1,35,14.73
Balance at March 31, 2019	**41,48.28**	**7,91,04.99**	**10,10,07.51**	**-**	**5,01,06.41**	**(612.05)**	**-**	**23,37,55.14**

Statement of changes in Equity for the year ended March 31, 2019 (Contd.)

B. Other Equity (Contd.)

As at March 31, 2018

(Amount Rs. in lakhs)

Particulars	Reserve & Surplus					Items of Other Comprehensive Income		Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Debenture Redemption Reserve	Retained Earnings	Equity Instrument through Other Comprehensive Income	Effective portion of Cash Flow hedges	
Balance as at April 1, 2017	42,98.28	6,55,90.26	10,10,07.51	62,50.00	10,60,75.39	23.70	(364.68)	28,28,80.46
Total Comprehensive Income for the year	-	-	-	-	46,98.64	(7.04)	1,90.70	48,82.30
Re-measurement of defined benefit plans	-	-	-	-	10.37	-	-	10.37
Dividends including dividend distribution tax	-	-	-	-	(21,48.12)	-	-	(21,48.12)
State Capital Investment Subsidy	(150.00)	-	-	-	1,50.00	-	-	-
Balance at March 31, 2018	41,48.28	6,55,90.26	10,10,07.51	62,50.00	10,87,86.28	16.66	(1,73.98)	28,56,25.01

Refer Note no. 21 for nature and purpose of reserves

Significant accounting policies and other accompanying notes (1 to 61) form an integral part of the financial statements.

As per our report of even date
For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 15, 2019

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

Statement of Cash Flow for the year ended March 31, 2019

(Amount Rs. in lakhs)

		For the year ended March 31, 2019		For the year ended March 31, 2018	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit/(Loss) before Tax		**(6,59,33.96)**		43,58.86
	Add : Depreciation and amortisation expenses	**54,81.79**		59,21.85	
	Pipe mould written off	**-**		2,46.39	
	Property, Plant and Equipment written off	**-**		92.08	
	Assets / Advances written off	**6,90.33**		-	
	Provision for others	**-**		90.64	
	Credit loss allowances on trade receivables/advances	**1,96.02**		-	
	Advance/trade receivables written off	**2,11,21.70**		-	
	Impairement in valuation of investments	**8,22.81**		-	
	Net gain /(loss) on Fair valuation of Investments	**5,78,76.71**		6.36	
	Profit/(Loss) on sale / discard of Fixed Assets (Net)	**2,80.47**		63.75	
	Finance cost	**2,25,40.22**	**10,90,10.05**	2,02,31.83	2,66,52.90
			4,30,76.09		3,10,11.76
	Less : Interest income	**16,20.94**		15,38.85	
	Bad Debts realised	**1,37.00**		-	
	Dividend income from investments	**11,60.77**		11,61.25	
	Gain on redemption of financial liability at amortised cost	**8,03.25**		-	
	Net gain /(loss) on derecognition of financial assets at amortised cost	**56.39**		28.48	
	Fair Valuation of derivative instruments through Profit & Loss A/c	**3,39.54**		4,71.14	
	Unrealised foreign exchange fluctuation and translation	**26,81.10**		44,00.45	
	Provisions / Liabilities no longer required written back	**8,74.38**	**76,73.37**	23,11.44	99,11.61
	Operating Profit before Working Capital changes		**3,54,02.72**		2,11,00.15
	Less : Increase/(Decrease) in Inventories	**1,54,78.37**		(30,20.62)	
	Increase/(Decrease) in Trade Receivables	**92,48.29**		57,75.05	
	Increase/(Decrease) in Loans & Advances, other financial and non-financial assets	**17,52.84**		(22,15.95)	
	(Increase)/Decrease in Trade Payables, other financial and non financial liabilities and provisions	**1,17,87.80**	**3,82,67.30**	(2,29,12.64)	(2,23,74.16)
	Cash generated from Operations		**(28,64.58)**		4,34,74.31
	Less : Direct Taxes paid (Net)		**14,79.71**		10,70.97
	Net cash flow from Operating activities		**(43,44.29)**		4,24,03.34
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	**(53,91.28)**		(19,27.39)	
	Realisation of Property, Plant and Equipment, Intangible Assets	**1,26.84**		49.73	
	Interest received	**15,92.67**		14,67.28	
	Dividend received	**11,60.77**		11,61.25	
	Bank balances other than cash and cash equivalents	**61,97.91**	**36,86.91**	(66,04.34)	(58,53.47)
	Net Cash flow from Investing activities		**36,86.91**		(58,53.47)

Statement of Cash Flow for the year ended March 31, 2019 (Contd.)

(Amount Rs. in lakhs)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from preferential issue of Equity Shares	**1,40,00.00**		-	
Proceeds/(Repayment) from borrowings (net)	**2,00,23.58**		(1,66,76.22)	
Proceeds/(Redemption/Repayment) of debentures/term loan	**(97,65.24)**		(1,68,59.55)	
Interest and other borrowing cost paid	**(2,32,74.50)**		(2,01,41.40)	
Dividend paid	**(12,32.31)**		(20,16.81)	
Tax on dividend	**(2,50.04)**	**(4,98.51)**	(3,63.34)	(5,60,57.32)
Net cash flow from Financing activities		**(4,98.51)**		(5,60,57.32)
Cash and Cash equivalents (A+B+C)		**(11,55.89)**		(1,95,07.45)
Cash and Cash equivalents as at 1st April		**67,90.37**		2,63,10.13
Add/(Less): Unrealised exchange gain/(loss) on bank balances		**12.45**		(12.31)
Cash and Cash equivalents as at 31st March (Refer note no. 15)		**56,46.93**		67,90.37

Note :

(a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows' as noted under Companies Act, 2013.

(b) Ind AS 7 Cash flow statements requires the entities to provide disclousre that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet of liabilities arising from financing activities, to meet the disclosure requirements.

Particulars	As at 31.03.2018	Cash Flows	Non Cash Changes		As at 31.03.2019
			Foreign Exchange movement & Amortisied cost	Current/Non-current classification	
Borrowings-Non Current	8,45,76.28	1,80,15.51	(40,95.22)	(1,50,12.42)	8,34,84.15
Other Financial Liabailities	2,77,80.75	(2,77,80.75)	-	1,50,12.42	1,50,12.42
Borrowings-Current	4,40,17.25	2,00,23.58	(6,79.31)	-	6,33,61.52

Significant accounting policies and other accompanying notes (1 to 61) form an integral part of the financial statements.

As per our report of even date
For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 15, 2019

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

Notes to Financial Statements for the year ended March 31, 2019

1 Corporate Information

Electrosteel Castings Limited ('the Company') is a public limited company in India having its corporate office in Kolkata in the State of West Bengal and registered office at Rajgangpur, District: Sundergarh in the State of Odisha and is engaged in the manufacture and supply of Ductile Iron (DI) Pipes, Ductile Iron Fittings (DIF) and Cast iron (CI) Pipes as its core business and produces and supplies Pig Iron, in the process. It also produces Metallurgic Coke, Sinter and Power for captive consumption. The company caters to the needs of Water Infrastructure Development. The Company's shares are listed on National Stock Exchange of India Limited and BSE Limited. The Board of Directors have approved the financial statements for the year ended March 31, 2019 and authorised for issue on May 15, 2019.

2A Application of New Accounting Pronouncements

2A.1 The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below:

2A.2 The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Impact on adoption of Ind AS 115 is not material.

The Company has adopted Appendix B to Ind AS 21, foreign currency transactions and advance consideration with effect from April 1, 2018 prospectively to all assets, expenses and income initially recognized on or after April 1, 2018.

2B Recent Accounting Developments

Standards issued but not yet effective

2B.1 In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain IND AS. The Standard / amendments are applicable to the Company with effect from 1st April 2019.

2B.2 Ind AS 116: Leases:

The standard changes the recognition, measurement, presentation and disclosure of leases. It requires:

- Lessees to record all leases on the balance sheet with exemptions available for low value and short-term leases.
- At the commencement of a lease, a lessee will recognise lease liability and an asset representing the right to use the asset during the lease term (right-of-use asset).
- Lessees will subsequently reduce the lease liability when paid and recognise depreciation on the right-of-use asset.
- A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the right-of-use asset.
- The standard has no impact on the actual cash flows of a Company. However, operating lease payments currently expensed as operating cash outflows will instead be capitalised and presented as financing cash outflows in the statement of cash flows. The Company has reviewed all relevant contracts to identify leases and preparations for this standard are substantially complete. This review included:
  - an assessment about whether the contract depends on a specific asset,
  - whether the company obtains substantially all the economic benefits from the use of that asset; and
  - whether the Company has the right to direct the use of that asset.

  From April 1, 2019 the Company will focus on ensuring that the revised process for identifying and accounting for leases is followed.

  The company has completed an initial assessment of the potential impact on its standalone financial statement and expects to have no significant impact on the standalone financial statement.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

2B.3 The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 23, Borrowing costs
3. Ind AS 28 – Investment in associates and joint ventures
4. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
5. Ind AS 109 – Financial instruments
6. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

3. Statement of compliance and Significant Accounting Policies

3.1 Statement of Compliance

These financial statements, excepting as stated in note no 7A.2 and 47, have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period and certain class of Property, Plant and Equipment i.e. freehold land and building and Investment in Associates which as on the date of transition have been fair valued to be considered as deemed cost.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

Level 3 : Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes (net of recoverable taxes), inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

into the location and condition necessary for it to be capable of operating in the manner intended for its use. For major projects, interest and other costs incurred on / related to borrowings to finance such projects or fixed assets during construction period and related pre-operative expenses are capitalized. Expenditure on Blast Furnace/Coke Oven Battery Relining is capitalized.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss when incurred.

Capital Work-in-progress includes preoperative and development expenses, equipments to be installed, construction and erection materials, advances etc. Such items are classified to the appropriate categories of PPE when completed and ready for intended use.

The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

Depreciation and Amortization

Depreciation on PPE except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method in respect of Plant and Equipments and Office Equipments 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 Equipments and Office Equipments at Elavur Plant. Certain Plant and Equipment's have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the mother plant / fixed assets.

Leasehold Land held under finance lease including leasehold land are depreciated over their expected lease terms. No depreciation is charged on Freehold land. Assets costing rupees five thousand or less are being depreciated fully in the year of addition/acquisition.

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. Pipe Moulds of specified sizes are depreciated over a period of 3 years.

Railway siding constructed on Government land is amortised over the period of 10 years in terms of agreement.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the useful lives as estimated for other assets considered for depreciation are as follows:

Category	Useful life
Buildings	
Non-Factory Building (RCC Frame Structure)	60 Years
Factory Building	30 Years
Roads	
Carpeted Roads-RCC	10 Years
Carpeted Roads-other than RCC	5 Years
Non-Carpeted Roads	3 Years
Plant and machinery	
Other than Continuous Process Plant	15 Years
Sinter Plant, Blast Furnace, Coke Oven	20 Years
Coke Oven Battery Relining	5 Years
Blast Furnace Relining	2 Years
Power Plant	40 Years

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

Category	Useful life
Computer equipment	
Servers and networks	6 Years
Others	3 Years
Furniture and fixtures, Electrical Installation and Laboratory Equipment's	10 Years
Office equipment	5 Years
Vehicles	
Motor cycles, scooters and other mopeds	10 Years
Others	8 Years

Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes (net of recoverable taxes) less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, right to use wagons acquired under "Wagon Investment Scheme", cost of computer software packages (ERP and others) and mining rights are allocated / amortized over a period of 10 years, 5 years and available period of mining lease respectively.

Research cost are not capitalized and the related expenditure is recognized in the statement of profit and loss in the period in which the expenditure is incurred.

Depreciation methods, useful lives and residual values and are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Derecognition of Tangible and Intangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Finance leases are capitalized at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and 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.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.7 Financial Assets and Financial Liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(vi) Equity Instruments measured at FVTOCI and FVTPL

Equity instruments which are, held for trading are classified as at FVTPL are measured at Fair Value as per Ind AS 109. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment.

(vii) Investment in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries or the loss of significant influence over associates, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

(viii) Derivative and Hedge Accounting

The company enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorized as a financial asset, at fair value through profit or loss. Transaction costs attributable are also recognized in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognized in the Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of profit and loss.

(ix) Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

(x) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

(xi) Financial Guarantee Contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

3.8 Inventories

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.

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.

Cost in respect of process stock represents, cost incurred up to the stage of completion.

Cost in respect of work-in-progress represents cost of materials remaining uncertified / incomplete under the Turnkey Contracts undertaken by the Company.

Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

3.9 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non monetary items which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate as at the date of transaction.

The Company had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

3.10 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

3.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.12 Employee Benefits

Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

Other Long Term Employee Benefits

The liabilities for leave encashment that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

Post Employment Benefits

The Company operates the following post employment schemes:

— Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

— Defined Contribution Plan

Defined contribution plans such as provident fund etc are charged to the statement of profit and loss as and when incurred. Contribution to Superannuation fund, a defined contribution plan is made in accordance with the company's policy and is recognised in the Statement of profit and loss.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

3.13 Revenue

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognized for expected returns in relation to sales made corresponding assets are recognized for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

3.14 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.15 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

3.16 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognized as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified one reportable segment "Pipes and all other activities revolve around the main business" based on the information reviewed by the CODM.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 Depreciation / amortization and impairment on property, plant and equipment / intangible assets.

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher an asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.2 Impairment on Investments in Subsidiaries, Associates and Joint Ventures

Investments in Subsidiaries, Associates and Joint Ventures are being carried at cost or deemed cost. The company has tested for impairment at year end based on the market value where the shares are quoted, P/E ratio of similar sector company along with premium/discount for nature of holding and Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

4.3 Arrangements containing leases and classification of leases

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service / hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

4.4 Claims and Compensation

Claims including insurance claims are accounted for on determination of certainity of realisation thereof. Compensation receivable against acquisition of coal mine (Refer Note No. 47) pending final acceptance or settlement thereof even though has not been given effect to, as amount expected to be realised in this respect has been considered to be covering the carrying amount of the relevant assets and other recoverables.

4.5 Impairment allowances for on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience.

4.6 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

5. Property, Plant and Equipment : (Amount Rs. in lakhs)

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Railway Siding	Live stock	Total
Gross Block										
As at April 1, 2018	**11,81,42.86**	**19,24.39**	**1,17,54.37**	**4,02,34.30**	**2,09.49**	**8,26.15**	**3,59.41**	**33,63.20**	**1.11**	**17,68,15.28**
Additions	–	–	39.19	12,08.74	18.78	2,23.52	36.78	–	–	15,27.01
Disposal	(68.55)	–	–	(10,26.24)	(0.01)	(17.05)	(5.46)	–	–	(11,17.31)
Other Adjustments		–	–	–	–	–	–	–	–	
As at March 31, 2019	**11,80,74.31**	**19,24.39**	**1,17,93.56**	**4,04,16.80**	**2,28.26**	**10,32.62**	**3,90.73**	**33,63.20**	**1.11**	**17,72,24.98**
Accumulated Depreciation										
As at April 1, 2018	**–**	**86.34**	**37,04.44**	**1,08,33.83**	**94.57**	**4,65.64**	**1,24.79**	**14,64.35**	**–**	**1,67,73.96**
Charge for the year	–	29.44	8,98.45	37,20.53	26.72	1,41.41	40.34	4,82.83	–	53,39.72
Disposal	–	–	–	(6,97.39)	(0.01)	(12.22)	(0.38)	–	–	(7,10.00)
As at March 31, 2019	**–**	**1,15.78**	**46,02.89**	**1,38,56.97**	**1,21.28**	**5,94.83**	**1,64.75**	**19,47.18**	**–**	**2,14,03.68**
Net carrying amount										
As at March 31, 2019	**11,80,74.31**	**18,08.61**	**71,90.67**	**2,65,59.83**	**1,06.98**	**4,37.79**	**2,25.98**	**14,16.02**	**1.11**	**15,58,21.30**

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Railway Siding	Live stock	Total
Gross Block										
As at April 1, 2017	11,82,41.61	19,24.39	1,11,31.13	3,93,17.24	1,62.69	7,18.11	2,97.68	33,63.20	1.11	17,51,57.16
Additions	-	-	6,22.81	15,27.89	46.80	1,18.63	61.70	-	-	23,77.83
Disposal	(98.75)	-	(1.87)	(7,57.89)	(0.01)	(10.59)	-	-	-	(8,69.11)
Other Adjustments	-	-	2.30	1,47.06	0.01	-	0.03	-	-	1,49.40
As at March 31, 2018	11,81,42.86	19,24.39	1,17,54.37	4,02,34.30	2,09.49	8,26.15	3,59.41	33,63.20	1.11	17,68,15.28
Accumulated Depreciation										
As at April 1, 2017	-	57.32	26,81.28	74,65.78	67.56	3,34.34	85.07	9,79.33	-	1,16,70.68
Charge for the year	-	29.02	10,24.09	38,69.57	27.01	1,38.07	39.72	4,85.02	-	56,12.50
Disposal	-	-	(0.93)	(5,01.52)	-	(6.77)	-	-	-	(5,09.22)
As at March 31, 2018	-	86.34	37,04.44	1,08,33.83	94.57	4,65.64	1,24.79	14,64.35	-	1,67,73.96
Net carrying amount										
As at March 31, 2018	11,81,42.86	18,38.05	80,49.93	2,94,00.47	1,14.92	3,60.51	2,34.62	18,98.85	1.11	16,00,41.32

Notes :

5.1 Plant and Equipments of Rs.4,09.73 lakhs (previous year Rs.4,13.68 lakhs) being contribution for laying the Power line,the ownership of which does not vest with the company.

5.2 Railway Siding represents the cost of construction of the assets for company's use over the specified period as per the terms of agreement.

5.3 Freehold land includes Rs. 3,35.81 lakhs (previous year Rs.3,35.81 lakhs) in respect of which the execution of conveyance deeds is pending. Freehold land also includes Rs. 2,75.27 lakhs (previous year Rs. 2,75.27 lakhs) towards contribution in relation of Joint Venture Company North Dhadhu Coal Block.

5.4 Other adjustments includes Nil (previous year Rs. 66.68 lakhs) being interest capitalized during the year and Nil (previous year Rs. 82.72 lakhs) representing foreign exchange fluctuation.

5.5 Land with factory buildings of Rs.2,95,71.05 lakhs (previous year Rs.2,95,93.21 lakhs) located at Elavur plant of the Company are mortgaged in the favour of lender to Electrosteel Steels Limited, an erstwhile associate of the company. (Also refer note no.7A.2)

5.6 Refer note no. 22 to financial statements in respect of charge created against borrowings.

5.7 Refer note 47 dealing with coal mine assets and note no. 48 (a) in respect of iron ore and manganese ore mine.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

6. Other Intangible Assets

(Amount Rs. in lakhs)

Particulars	**Computer Softwares**	**Mining Rights**	**Right to Use under wagon investment scheme**	**Total**
Gross Block				
As at April 1, 2018	2,76.13	8.13	8,65.14	11,49.40
Additions	18.47	–	–	18.47
As at March 31, 2019	**2,94.60**	**8.13**	**8,65.14**	**11,67.87**
Accumulated Depreciation				
As at April 1, 2018	1,64.95	4.59	7,59.68	9,29.23
Charge for the year	35.08	1.53	1,05.46	1,42.07
As at March 31, 2019	**2,00.03**	**6.12**	**8,65.14**	**10,71.30**
Net carrying amount				
As at March 31, 2019	**94.57**	**2.01**	**–**	**96.57**

Particulars	**Computers Softwares**	**Mining Rights**	**Right to Use under wagon investment scheme**	**Total**
Gross Block				
As at April 1, 2017	2,51.39	8.13	8,65.14	11,24.66
Additions	24.74	–	–	24.74
As at March 31, 2018	2,76.13	8.13	8,65.14	11,49.40
Accumulated Depreciation				
As at April 1, 2017	1,10.37	3.06	5,06.45	6,19.88
Charge for the year	54.58	1.53	2,53.23	3,09.35
As at March 31, 2018	1,64.95	4.59	7,59.68	9,29.23
Net carrying amount				
As at March 31, 2018	1,11.18	3.54	1,05.46	2,20.17

Notes :

6.1 Right to use Wagon represents cost incurred in connection with wagon procured under "Wagon investment Scheme" and handed over to railway authorities for their normal operations against priority over availability of the wagons for transportation as and when required.

6.2 Refer note no. 22 to financial statements in respect of charge created against borrowings.

6.3 Refer note no. 47 dealing with coal mine assets.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

7. Investment in Subsidiaries, Associates and Joint Ventures

(Fully paid up except otherwise stated) (Amount Rs. in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Holding (Nos.)	Value	Holding (Nos.)	Value
Investments in Equity Instruments				
Investment measured at Cost/Deemed Cost				
Quoted				
Associates				
Srikalahasthi Pipes Limited (Face value of Rs.10/- each) (Refer note no. 7.1)	19301218	4,55,29.64	19301218	4,55,29.64
Electrosteel Steels Ltd. (Face value Rs. 10/-each) (ceased to be associate w.e.f. 06.06.2018)	–	–	1089800000	6,05,92.88
		4,55,29.64		10,61,22.52
Unquoted				
Associates				
Electrosteel Thermal Power Ltd. (Face value of Rs.10/- each)	15000	1.50	15000	1.50
Subsidiaries				
Electrosteel Europe SA (Face value of Euro 10 each)	380000	23,23.41	380000	23,23.41
Electrosteel Algeria SPA (Face value of 3550 Algerian Dinar each)	82500	9,14.41	82500	9,14.41
Electrosteel Castings (UK) Ltd. (Face value of GBP 1 each)	1100000	10,59.26	1100000	10,59.26
Electrosteel USA, LLC	#	14,45.60	#	14,45.60
Electrosteel Trading, S.A. (Face Value of Euro 10 each)	6500	45.10	6500	45.10
Mahadev Vyapaar Pvt Ltd (Face Value of Rs 10/- each)	10000	12,03.00	10000	12,03.00
Electrosteel Castings Gulf FZE (Face Value of UAE Dhiram 1000000 each)	1	1,50.60	1	1,50.60
Electrosteel Brasil LTDA Tubos E Conexoes Duteis (Face Value of BRL 1 each)	150000	45.05	150000	45.05
Electrosteel Doha for Trading LLC (Face Value of QAR 1000 each)	98	14.84	98	14.84
Electrosteel Baharain Holding S.P.C.Company (Face value of BHD 100 each)	2500	4,14.83	2500	4,14.83
Joint Venture				
Domco Private Limited (Face value of Rs. 100/- each) (Refer Note no. 7.2)	30000	30.00	30000	30.00
North Dhadhu Mining Company Pvt Ltd (Face value of Rs.10/- each) (Refer Note no. 7.3)	8228053	8,22.81	8228053	8,22.81
Less: Impairment in value of Investments		(8,52.81)		(30.00)
		76,17.60		84,40.41
Total Investment in Subsidiaries, Associates and Joint Ventures #Towards 100% Capital Contribution		5,31,47.24		11,45,62.93
Aggregate amount of Quoted Investments		4,55,29.64		10,61,22.52
Aggregate amount of Market value of Quoted Investments		4,41,22.58		8,82,95.47
Aggregate amount of Unquoted Investments		76,17.60		84,40.41
Aggregate amount of Impairment in value of Investments		8,52.81		30.00

7.1 7004903 Equity shares (previous year Nil) of Rs. 10/- each fully paid up equity shares of Srikalahasthi Pipes Limited have been pledged in favour of Yes Bank Limited for securing term loan given to the Company. (Refer note no.22)

7.2 The Company has investment of Rs.30.00 lakhs (previous year Rs.30.00 lakhs) in equity shares and given advance of Rs.7,00.00 lakhs (previous year Rs.7,00.00 lakhs) against equity to 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) in terms of the Shareholder's Agreement dated March 27, 2004. The Venturers had filed a petition before the Company Law Board, Principal Bench, New Delhi (CLB) against the Company

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

against operation and mismanagement of the company inter alia on various matters including for forfeiture of the Company's investment in equity shares of the DPL. The matter was later transferred to the Company Law Board, Kolkata Bench and is now being taken up by the National Company Law Tribunal, Kolkata Bench. The Company had also inter alia filed an arbitration proceeding under Arbitration & Conciliation Act, 1996 against recovery of the said amount against which the ventures also filed their counter claims on the company. The matter is sub judice before the NCLT.

Pending final outcome of the above matter, the amounts in equity shares and advance have been fully provided for in the financial statements. The other venturers since not providing the financial statements of DPL, and thereby necessary disclosures could not be provided in these financial statements.

7.3 (a) The North Dhadhu Coal Block located in the State of Jharkhand was allocated to the Company, Adhunik Alloys & Power Limited (AAP), Jharkhand Ispat Pvt. Ltd. (JPL) and Pawanjay Steel & Power Limited (PSPL) (collectively referred to as venturers) for working through North Dhadhu Mining Company Private Limited (NDMCPL), a joint venture company. The Company has joint control (proportion of ownership interest of the Company being 48.98 %) along with other venturers represented by investment of Rs. 8,22.81 lakhs in equity shares of NDMCPL.

(b) 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, 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.56,03.00 lakhs issued for the same. The Company's share in the Bank Guarantee is Rs.27,45.00 lakhs. On a writ petition filed by the Company for quashing the order, stay in the matter together with encashment of bank guarantee has been granted by the Hon'ble High Court of Jharkhand. The company has also submitted its claim for compensation which is awaiting acceptance. In the view of the management that the compensation to be received in terms of ordinance is expected to cover the cost incurred by the Joint venture company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 8,22.81 lakhs in Joint venture has been provided during the year. In view of stay order by High Court, no provision in the share of bank guarantee has been considered necessary.

7.4 Particulars of invesments as required in terms of section 186(4) of the Companies Act, 2013 have been disclosed under note 7, 7A & 13.

7.5 **Details of Subsidiaries, Associates and Joint Ventures in accordance with Ind AS 112 "Disclosure of interests in other entities":**

Name of the Company	Country of Incorporation	Proportion of ownership interest/ voting rights held by the Company	
		As at March 31, 2019	As at March 31, 2018
Subsidiary			
Electrosteel Europe SA	France	**100.00%**	100.00%
Electrosteel Algerie SPA	Algeria	**100.00%**	100.00%
Electrosteel Castings (UK) Limited	United Kingdom	**100.00%**	100.00%
Electrosteel USA LLC	United States of America	**100.00%**	100.00%
Mahadev Vyapaar Private Limted	India	**100.00%**	100.00%
Electrosteel Trading, S.A.	Spain	**100.00%**	100.00%
Electrosteel Castings Gulf FZE	United Arab Emirates	**100.00%**	100.00%
Electrosteel Doha for Trading LLC	Qatar	**97.00%**	97.00%
Electrosteel Brasil LTDA. Tubos e Conexoes Duteis	Brazil	**100.00%**	100.00%
Electrosteel Bahrain Holding SPC Company	Bahrain	**100.00%**	100.00%
Associate			
Srikalahasthi Pipes Limited	India	**41.33%**	41.33%
Electrosteel Steels Limited (ceased to be associate w.e.f. 06.06.2018)	India	**–**	45.23%
Electrosteel Thermal Power Limited	India	**30.00%**	30.00%
Joint Ventures			
North Dhadhu Mining Company Private Limited	India	**48.98%**	48.98%
Domco Private Limited	India	**50.00%**	50.00%

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

7A. Non Current Investment

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Holding (Nos.)	Value	Holding (Nos.)	Value
Investments in Equity Instruments				
Investment designated at Fair Value through Other Comprehensive Income				
Quoted				
R.G. Ispat Limited (Face value of Rs.10/- each)*	**50**	**0.00**	50	0.00
		0.00		0.00
Unquoted				
Rainbow Steels Limited(Face value of Rs.10/- each)	**100**	**0.01**	100	0.01
MSTC Limited.(Face value of Rs. 10/- each)	**16000**	**25.58**	1000	2.93
Singardo International Pte Ltd (Face value of SGD 1 each)	**25000**	**19.69**	25000	19.11
N Marshall Hi-tech Engineers Pvt. Ltd.(Face value of Rs.10/- each)	**50000**	**10.26**	50000	12.04
Electrosteel Steels Ltd. (Face value Rs. 10/-each) (Refer Note no. 7A.1 and 7A.2)	**21796000**	**20,79.34**	–	–
		21,34.88		34.09
		21,34.88		34.09
Investments in Preference Shares				
Mukand Limited (0.01% Cumulative Redeemable Preference Shares face value of Rs. 10/-each)*	**16**	**0.00**	16	0.00
		0.00		0.00
Total - Non Current Investments		**21,34.88**		34.09
Aggregate amount of Quoted Investments		**0.00**		0.00
Aggregate amount of Market value of Quoted Investments		**0.00**		0.00
Aggregate amount of Unquoted Investments		**21,34.88**		34.09
Aggregate amount of Impairment in value of Investments		**–**		–

* figures below rounding off limit

7A.1 17334999 Equity shares (previous year 866750000) of Rs 10/- each fully paid up of Electrosteel Steels Limited (ESL) are pledged in favour of lenders of Electrosteel Steels Limited for securing financial assistance to ESL.

7A.2 In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by Electrosteel Steels Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the Company during the year. To comply with the requirements of Ind AS 109 "Financial Instruments", the Company had fair valued the investment in ESL and a sum of Rs. 5,78,68.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss.

The company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. Further during the year the shares of ESL were delisted and Vedanta Star Limited (holding company of ESL) has made an exit offer to the shareholders of ESL at price of Rs. 9.54 per share which is open till December 20, 2019. In view of non availability of fair value of shares of ESL due to delisting, the Company has considered the exit price as the basis of valuation of Investment in ESL.

17334999 Equity shares of Rs. 10 each in ESL amounting to Rs. 16,53.76 lakhs as on March 31, 2019 are still pledged with the lenders of the ESL. The consortium of the lenders had issued notice for the invocation of such shares which has been disputed by the Company and on the plea filed by the Company, the Hon'ble High Court of Calcutta has set aside the notices issued by the lenders. The Company's plea for release of the pledge is pending before the Hon'ble Court.

One of the lenders of ESL in whose favour the Company had mortgaged certain Land & Building amounting to Rs. 2,95,71.05 lakhs of the Company situated at Elavur, Tamilnadu, has assigned its rights in the favour of another entity which has been disputed by the company. Pending settlement of the matter, these assets have been carried forward at their carrving book value.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

In terms of the approved resolution plan, advances and trade receivable amounting to Rs. 2,11,21.70 lakhs receivable from ESL were written off during the year and shown as exceptional item in statement of Profit and Loss.

7A.3 The Company has made an irrevocable decision to consider investment in equity instruments, other than in Subsidiaries, Associates and Joint ventures not held for trading to be recognized at FVTOCI.

(Amount Rs. in lakhs)

Non Current Assets

8. Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Long Term Trade Receivables	-	1,28.40
	-	1,28.40

9. Loans

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good			
Security Deposits	9.1, 27.1, 55	**13,67.67**	21,85.23
		13,67.67	21,85.23

9.1 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, Rs 2,00.18 lakhs (previous year Rs. 2,00.18 lakhs) with related parties. Also include Rs. 1,95.85 lakhs (previous year Rs.9,99.35 lakhs) lying with customer in terms of agreement/order towards supplies of goods.

10. Other Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposit with Banks (having maturity of more than 1 year from Balance Sheet date)	**35,00.00**	36,49.47
	35,00.00	36,49.47

11. Other Non–Current Assets

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Capital Advances	11.1	**1,17.81**	1,85.12
Prepaid expenses		**1,43.96**	2,35.37
Others	11.2	**0.97**	1.93
		2,62.74	4,22.42

11.1 Capital advances includes Nil (previous year Rs.5.27 lakhs) paid to related party (refer note no. 55).

11.2 Including loans and advance to employees amounting to Rs. 0.97 lakhs (previous year Rs.1.93 lakhs).

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

12. Inventories (At lower of cost or Net Realisable Value)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	**1,69,05.86**	1,49,18.44
Raw materials in transit	**1,07,41.33**	38,75.84
Process stock	**51,63.52**	85,98.36
Finished goods	**1,78,63.24**	80,30.95
Stock-in-trade (in respect of goods acquired for trading)	**29.95**	1,58.82
Stores and spares	**55,93.63**	51,30.64
Stores and spares in transit	**13.68**	1,19.79
	5,63,11.21	4,08,32.84

12.1. Refer note no. 27.1 to Financial Statements in respect of charge created against borrowings.

13. Current Investment

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Holding (Nos.)	Value	Holding (Nos.)	Value
Investment measured at fair value through Profit and Loss				
Investment in Equity Instruments				
Equity Shares (Quoted)				
MOIL Limited (Face value of Rs. 10/- each)	**7588**	**12.04**	7588	14.85
Reliance Industries Ltd (Face value of Rs. 10/- each)	**1000**	**13.63**	1000	8.83
Andhra Bank (Face value of Rs. 10/- each)	**5000**	**1.40**	5000	2.08
3I Infotech Ltd. (Face value of Rs. 10/- each)	**60000**	**2.31**	60000	3.03
BGR Energy Systems Ltd. (Face value of Rs. 10/- each)	**1500**	**0.94**	1500	1.53
Bharat Heavy Electricals Ltd. (Face value of Rs. 2/- each)	**18750**	**14.05**	18750	15.25
GTL Infrastructure Ltd. (Face value of Rs. 10/- each)	**60000**	**0.57**	60000	1.56
Garden Silk Mills Ltd. (Face value of Rs. 10/- each)	**1000**	**0.20**	1000	0.32
Jyoti Structures Ltd. (Face value of Rs. 2/- each)	**5000**	**0.10**	5000	0.40
National Aluminium Company Ltd. (Face value of Rs. 5/- each)	**2500**	**1.39**	2500	1.66
Punjab National Bank (Face value of Rs. 2/- each)	**10000**	**9.55**	10000	9.53
Pilani Investment and Industries Corporation Ltd. (Face value of Rs. 10/- each)	**700**	**15.08**	700	17.98
Vedanta Ltd (Face value of Re. 1/- each)	**2000**	**3.69**	2000	5.56
Tata Teleservices (Maharashtra) Ltd. (Face value of Rs. 10/- each)	**28333**	**0.86**	28333	1.57
Total		**75.81**		84.15
Aggregate amount of Quoted Investments				
– In Equity Shares		**75.81**		84.15
		75.81		84.15
Aggregate amount of Market value of Quoted Investments				
- In Equity Shares		**75.81**		84.15
		75.81		84.15

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

14. Trade Receivables

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Trade Receivables considered good - Secured		**1,74,33.98**	93,46.63
Trade Receivables considered good -Unsecured		**4,26,82.40**	4,65,11.17
Trade Receivables which have significant increase in Credit Risk		**–**	–
Trade Receivables - credit impaired		**4,02.78**	3,12.78
Less: Credit loss allowances on Trade Receivable	14.2	**(4,02.78)**	(3,12.78)
		6,01,16.38	5,58,57.80

14.1 Ageing of Trade Receivable

Particulars	As at March 31, 2019	As at March 31, 2018
Within the credit period	**5,32,34.23**	4,33,49.18
1-180 days past due	**39,37.53**	81,95.52
More than 180 days past due	**29,44.62**	44,41.50
Total	**6,01,16.38**	5,59,86.20
Current Trade Receivable	**6,01,16.38**	5,58,57.80
Non Current Trade Receivable	**–**	1,28.40
Total	**6,01,16.38**	5,59,86.20

14.2 Movement of Impairment allowances for doubtful debts

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**3,12.78**	3,12.78
Recognised during the year	**90.00**	–
Reversal during the year	**–**	–
Balance at the end of the year	**4,02.78**	312.78

14.3 Balances of Trade Receivables including for Turnkey Contracts, Trade payable and Advances are subject to confirmation/reconciliation and adjustments in this respect are carried out as and when amounts thereof, if any are ascertained.

14.4 Refer note no. 27.1 to Financial Statements in respect of charge created against borrowings.

14.5 Refer note no. 55 for balances with related parties.

15. Cash and Cash Equivalents

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Balances with banks			
In current and cash credit accounts	15.1	**56,39.81**	67,82.22
Cash on hand		**7.12**	8.15
		56,46.93	67,90.37

15.1 Includes bank balance of Nil (previous year Rs. 11,02.52 lakhs) in respect of External Commercial Borrowings loan pending utilisation for intended use.

15.2 Refer note no. 27.1 to Financial Statements in respect of charge created against borrowings.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

16. Bank Balances Other than Cash and Cash Equivalents

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Other balance with banks			
In Fixed Deposit Escrow account	23.1	**5,36.93**	5,36.93
In dividend accounts		**82.54**	98.40
Fixed deposits with Banks (having original maturity of more than 3 months)	16.1	**68,85.14**	1,29,17.72
		75,04.61	1,35,53.05

16.1 Fixed Deposits with banks include Fixed Deposit of Rs. 58,42.96 lakhs (previous year Rs.1,25,68.46 lakhs) have been pledged with Banks against guarantee issued by them.

16.2 Refer note no. 27.1 to Financial Statements in respect of charge created against borrowings.

17. Loans

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Loan Receivables Considered Good- Secured		**–**	–
Loan Receivables Considered Good- Unsecured			
Security Deposits	17.1	**21,30.06**	13,36.38
		21,30.06	13,36.38
Loan Receivables- Credit impaired			
Loans and Advances to related party	55	**7,00.00**	7,00.00
Others		**10.62**	10.62
		7,10.62	7,10.62
Less : Impairment Allowances for doubtful Advances	7.2 and 17.2	**7,10.62**	7,10.62
		–	–
		21,30.06	13,36.38

17.1 Include Rs. 20,82.01 lakhs (previous year Rs.12,72.86 lakhs) lying with customer interms of agreement/order towards supplies of goods.

17.2 Movement of Allowances for doubtful advances.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**7,10.62**	7,10.62
Recognised during the year	**–**	–
Reversal during the year	**–**	–
Balance at the end of the year	**7,10.62**	7,10.62

17.3 Refer note no.27.1 to Financial Statements in respect of charge created against borrowings.

18. Other Financial Assets

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Interest receivable		**70.75**	42.48
Claim receivable	47	**93,16.85**	93,16.85
Derivative Assets at fair value through profit or loss		**6,33.20**	–
Export incentive receivable		**30,48.84**	20,59.30
Incentive/Subsidy/Cess receivable		**61,59.26**	55,25.32
Others	18.1	**66.05**	3,33.39
		1,92,94.95	1,72,77.34

18.1 Includes Rs.31.11 lakhs (previous year Rs.161.43 lakhs) receivable from Directors of the company towards recovery of excess remuneration paid for the current year.

18.2 Refer note no. 27.1 to Financial Statements in respect of charge created against borrowings.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

19. Other Current Assets

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Loans and Advances to related parties	19.2 and 55	**3,63.43**	1,81,28.42
Advances for supply of goods and rendering of services			
- Considered Good		**12,12.34**	12,26.39
- Considered Doubtful		**1,06.02**	–
- Less: Impairment Allowances for doubtful advances		**(1,06.02)**	–
Loans and advances to employees		**34.21**	49.98
Balance with Government authorities		**33,47.98**	23,89.73
Prepaid expenses		**9,04.37**	10,06.24
		58,62.33	2,28,00.76

19.1 Movement of Allowances for doubtful advances

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**–**	–
Recognised during the year	**1,06.02**	–
Reversal during the year	**–**	–
Balance at the end of the year	**1,06.02**	–

19.2 Disclosure of Loans and Advances as per the Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

	Outstanding at the year end	**Maximum Amount outstanding during the year**	Outstanding at the year end	Maximum Amount outstanding during the year
	March 31, 2019	**2018–19**	March 31, 2018	2017–18
Loans and advances in the nature of loans to Subsidiaries and Associates:				
(a) Mahadev Vyapaar Private Limited	**3,62.43**	**3,79.82**	3,81.44	4,00.47
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)	**–**	**–**	–	–

19.3 The above advances have been given for general corporate purpose. Refer note no.55 and 59.

19.4 Refer note no.27.1 to Financial Statements in respect of charge created against borrowings.

20. Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
Equity shares, Rs. 1/– par value		
500,000,000 (Previous Year 500,000,000) equity shares	**50,00.00**	50,00.00
Issued, Subscribed and Paid–up		
Equity shares, Rs. 1/– par value		
405,482,183 (previous year 356,955,322) equity shares fully paid up	**40,54.82**	35,69.55
	40,54.82	35,69.55

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

20.1 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.

20.2 During the year, the company had issued 4,85,26,861 numbers of equity shares of Re. 1 each at a premium of Rs. 27.85 each (full figure) on preferential basis. The equity shares were allotted on August 20, 2018.

20.3 Reconciliation of the number of equity shares outstandings :

Particulars	As at March 31, 2019	As at March 31, 2018
Number of shares at the beginning	**356955322**	356955322
Add: Addition during the year	**48526861**	–
Number of shares at the end	**405482183**	356955322

20.4 Shareholders holding more than 5% equity shares (No. of Shares)

Name of shareholders	As at March 31, 2019	As at March 31, 2018
G. K. & Sons Private Ltd	**44678936**	36731833
Umang Kejriwal-Trustee of Sreeji Family Benefit Trust/Mayank Kejriwal -Trustee of Sreeji Family Benefit Trust	**35027053**	35027053
Electrocast Sales India Ltd.	**33893710**	29899981
Murari Investment & Trading Company Ltd.	**30427656**	30053080
India Opportunities Growth Fund Ltd. - Pinewood Strategy	**23991781**	–
Uttam Commercial Company Ltd.	**22181774**	18590570
G.K.Investments Ltd.	**21814560**	21739560
SML Steel Metals (Cyprus) Limited (formerly Stemcor Metals Ltd.)#	**18124782**	19243836

Holding less than 5% as at March 31, 2019.

21. Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve	**41,48.28**	41,48.28
Securities Premium	**7,91,04.99**	6,55,90.26
General Reserve	**10,10,07.51**	10,10,07.51
Debenture Redemption Reserve	**–**	62,50.00
Retained Earnings	**5,01,06.41**	10,87,86.28
Other Comprehensive Income		
Equity instrument through other comprehensive income	**(6,12.05)**	16.66
Effective portion of cash flow hedge	**–**	(1,73.98)
	23,37,55.14	28,56,25.01

21.1 Refer Statement of changes in Equity for movement in balances of reserves.

21.2 **Capital Reserve**

The reserve was created mainly on account of forfeiture of warrants convertible into equity shares.

21.3 **Securities Premium**

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

21.4 **General Reserve**

The reserve arises on transfer portion of the net profit pursuant to the provisions of Companies Act.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

21.5 **Retained Earnings**

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company. This includes Rs. 7,75,67.92 lakhs (previous year Rs. 7,76,12.03 lakhs) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipments and Investment in associates being measured at fair value as on the date of transition as deemed cost.

21.6 **Other Comprehensive Income**

Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:

i) Items that will not be reclassified to Profit and Loss

a. The company has elected to recognise changes in the fair value of non-current investments(other than in subsidiaries, associates and joint ventures) in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

b. The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI.

ii) Items that will be reclassified to profit and loss.

a. This Reserve represents the cumulative effective portion of changes in fair value of currency swap that are designated as cash flow hedge are recognised in OCI. This is reclassified to statement of Profit and Loss.

22. Borrowings

Particulars	Ref. note no.	As at March 31, 2019		As at March 31, 2018	
		Non Current	Current	Non Current	Current
SECURED BORROWINGS					
Non Convertible Debentures					
11.75% Non Convertible Debentures	22.1.1	–	–	99,31.19	2,500.00
12.00% Non Convertible Debentures	22.1.2	–	–	74,56.22	–
11.00% Non Convertible Debentures	22.1.3	–	–	–	4,991.90
Term loan from banks					
External Commercial Borrowing	22.2.1	1,51,07.42	75,53.71	2,84,75.80	1,42,37.90
FCNR Loan	22.2.2	–	–	62,35.19	17,32.62
Rupee Loan	22.2.3, 22.2.4, 22.2.5, 22.2.6, 22.2.7, 22.2.8	6,01,56.17	48,32.88	2,16,35.36	26,00.00
Term loan from a financial institutions	22.3	18,69.08	8,33.33	26,98.54	8,33.33
		7,71,32.67	1,32,19.92	7,64,32.30	2,68,95.75
UNSECURED BORROWINGS					
Term loan from financial institutions	22.4.1, 22.4.2 & 22.4.3	63,51.48	17,92.50	81,43.98	885.00
		63,51.48	17,92.50	81,43.98	885.00
		8,34,84.15	1,50,12.42	8,45,76.28	2,77,80.75

22.1.1 11.75% Non Convertible Debentures (privately placed) were to be secured by first pari-passu charge on company's Property, Plant and Equipment and other intangible assets (immovable and movable) including land and buildings both present and future other than assets located at Elavur. These debentures were allotted on March 7, 2017 and have been redeemed early in full during the year by exercising call option by the company.

22.1.2 12.00% Non Convertible Debentures (privately placed) were to be secured by second pari-passu charge on company's Property, Plant and Equipment and other intangible assets (immovable and movable) including land and buildings both present and future other than assets located at Elavur. These debentures were allotted on March 7, 2017 and have been redeemed early in full during the year by exercising call option by the company.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

22.1.3 11.00% Non Convertible Debentures (privately placed) were secured by second pari-passu charge on company's Property, Plant and Equipment and other intangible assets (immovable and movable) including land and buildings both present and future other than assets located at Elavur. These debentures were allotted on July 5, 2013 and have been fully redeemed during the year.

22.2.1 External Commercial Borrowings of USD 1,39.00 million is repayable in 12 semi annual instalments from August 29, 2015. The outstanding as on March 31, 2019 is Rs 2,26,61.13 lakhs (previous year Rs.4,27,13.70 lakhs). The interest rate ranges from 6M Libor + 400 to 500 basis points. External Commercial Borrowings is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur. One installment falling due in 2019-20 has been prepaid during the year.

22.2.2 FCNR Loan has been converted to Rupee Term loan during the year. The loan is secured by way of charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur and Vadgaon(Pune). The Loan is repayable in balance 15 equal quarterly instalments . The interest rate is 10.00% p.a. The outstanding as on March 31, 2019 is Rs. 62,04.36 lakhs (previous year Rs. 79,67.81 lakhs).

22.2.3 Rupee Term Loan of Rs 50,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur and Vadgaon (Pune). Rupee Term Loan is repayable in 25 equal quarterly instalments starting from July,2017. The interest rate ranges from 9.50% p.a. to 10.50% p.a. The outstanding as on March 31, 2019 Rs 33,41.52 lakhs (previous year Rs 40,25.95 lakhs).

22.2.4 Rupee Term Loan of Rs 2,00,00.00 lakhs from bank was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur. The said loan has been fully pre paid during the year.

22.2.5 Rupee Term Loan of Rs 40,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur and Vadgaon (Pune). The Rupee Term Loan is repayable in 16 equal quarterly installments starting from Dec,2015. The interest rate ranges from 10.50% p.a to 12.50% p.a. The outstanding as on March 31, 2019 is Rs 4,97.88 lakhs (previous year Rs 14,83.45 lakhs).

22.2.6 Rupee Term Loan of Rs 1,50,00.00 lakhs from bank is secured by way of first pari-passu charge on both movable and immovable fixed assets of the company, both present and future other than assets located at Elavur. Rupee Term Loan Principal is repayable in 25 structured quarterly installments starting from May,2019. The interest rate ranges from 9.50% p.a. to 10.00% p.a. The outstanding as on March 31, 2019 is Rs 1,30,48.35 lakhs (previous year NIL).

22.2.7 Rupee Term Loan of Rs 50,00.00 lakhs from bank is secured by way of first pari-passu charge on both movable and immovable fixed assets of the company, both present and future other than assets located at Elavur and Vadgaon (Pune). Rupee Term Loan Principal is repayable in 25 structured quarterly installments starting from Dec,2019. The interest rate ranges from 10.00% p.a. to 11.00% p.a. The outstanding as on March 31, 2019 is Rs 45,63.08 lakhs (previous year NIL).

22.2.8 Rupee Term Loan of Rs 4,00,00.00 lakhs from bank is to be secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment both present and future of the Company other than assets located at Elavur and Vadgaon (Pune). The loan is further secured by way of pledge of investment in Srikalahasthi Pipes Limited (SPL) to the extent of 15% with non disposal undertaking over remaining shares held by the company in SPL.The loan is further secured by pledge of 10% equity shares of the company held by promoter/promoter entities with non disposal undertaking over remaining shares held by them in the company. Rupee Term Loan is repayable in 48 structured quarterly installments starting from June,2019. The interest rate ranges from 12.00% p.a. to 13.00% p.a. The outstanding as on March 31, 2019 is Rs 3,73,33.86 lakhs (previous year Nil).

22.3. Term Loan of Rs 50,00.00 lakhs from a financial institution is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur. Term Loan is repayable in 24 equal quarterly installments starting from July, 2016. The interest rate ranges from 11.50% p.a. to 12.50% p.a. The outstanding as on March 31, 2019 is Rs 27,02.41 lakhs (previous year Rs 35,31.87 lakhs).

22.4.1 Term Loan of Rs. 41,00.00 lakhs from a financial institution is repayable in 16 quarterly instalments starting from June, 2018. The interest rate ranges from 11.00% p.a to 12.50 % p.a. The outstanding as on March 31, 2019 is Rs. 36,90.00 lakhs (previous year Rs 41,00.00 lakhs).

22.4.2 Term Loan of Rs. 33,00.00 lakhs from a financial institution is repayable in 16 quarterly instalments starting from March, 2018. The interest rate ranges from 11.00% p.a to 12.50 % p.a. The outstanding as on March 31, 2019, is Rs. 20,16.48 lakhs (previous year Rs. 24,28.98 lakhs).

22.4.3 Term Loan of Rs. 25,00.00 lakhs from a financial institution is repayable in 16 quarterly instalments starting from March, 2019. The interest rate ranges from 11.00% p.a to 12.50 % p.a. The outstanding as on March 31, 2019, is Rs. 24,37.50 lakhs (previous year Rs. 25,00.00 lakhs).

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

22.5 The outstanding balances disclosed in Note 22.1 to 22.4 are based on the amortised cost in accordance with Ind AS 109 "Financial Instruments".

23. Provisions

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	46	**13,53.54**	13,07.61
Provision for mine closure and restoration charges	23.1	**5,59.98**	5,59.98
		19,13.52	18,67.59

23.1 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. In view of cancellation of allotment of coal mines,no further provision has been considered necessary. (Refer note no. 16 and 47)

23.2 Movement in Mine closure and Restoration Obligation provision are provided below:

Particulars	(Amount Rs. in lakhs)
As at March 31, 2017	**5,59.98**
Provision during the year	–
As at April 1, 2018	**5,59.98**
Provision during the year	–
As at March 31, 2019	**5,59.98**

Particulars	As at March 31, 2019	As at March 31, 2018
Current	**–**	–
Non current	**5,59.98**	5,59.98

24. Deferred Tax Liabilities

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax Assets	**(75,09.43)**	(45,21.48)
Deferred tax Liabilities	**3,24,04.84**	3,16,00.84
Net Deferred Tax (Assets)/Liabilities	**2,48,95.41**	2,70,79.36

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2019 are given below:

Particulars	As at April 1, 2018	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in other comprehensive income	As at March , 31 2019
Deferred Tax Assets:				
Fair valuation of Financial Assets	(4,93.87)	(38.39)	–	**(5,32.26)**
Provision for Other Items u/s 43B of Income Tax Act, 1961	(24,36.35)	(4,56.60)	–	**(28,92.95)**
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(7,62.46)	40.82	–	**(7,21.64)**
Carried forward unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(5,88.99)	–	–	**(5,88.99)**
Unabsorbed Depreciation under Income Tax Act,1961	–	(12,13.93)	–	**(12,13.93)**
Unabsorbed Business Loss under Income Tax Act,1961	–	(15,07.47)	–	**(15,07.47)**
Derivative instruments designated at fair value through P&L A/c	(42.74)	28.40	–	**(14.34)**
Remeasurement of defined benefit obligations through OCI	(1,03.61)	–	65.76	**(37.85)**
Derivative instruments designated at fair value through OCI (Cash flow hedge reserve)	(93.46)	–	93.46	**–**
Total Deferred Tax Assets	**(45,21.48)**	**(31,47.17)**	**1,59.22**	**(75,09.43)**

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Deferred Tax Liabilities:				
Fair valuation of Financial Liabilities	3,90.73	16,92.69	–	**20,83.42**
Temporary difference with respect to Property, Plant & Equipment	3,09,02.93	(7,89.58)	–	**3,01,13.35**
Fair valuation of Derivative instruments designated through P&L A/c	3,02.13	(1,04.10)	–	**1,98.03**
Investments designated at fair value through OCI	5.05	–	4.99	**10.04**
Total Deferred Tax Liabilities	**3,16,00.84**	**7,99.01**	**4.99**	**3,24,04.84**
NET DEFERRED TAX (ASSETS)/ LIABILITIES	**2,70,79.36**	**(23,48.16)**	**1,64.21**	**2,48,95.41**

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below :

Particulars	**As at April 1, 2017**	**Charge/ (Credit) recognised in profit or loss**	**Charge/ (Credit) recognised in other comprehensive income**	**As at March , 31 2018**
Deferred Tax Assets:				
Fair valuation of Financial Assets	(8,16.47)	**3,22.60**	–	(4,93.87)
Provision for Other Items u/s 43B of Income Tax Act, 1961	(17,54.50)	**(6,81.85)**	–	(24,36.35)
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(7,67.42)	**4.96**	–	(7,62.46)
Carried forward unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(5,83.30)	**(5.69)**	–	(5,88.99)
Derivative instruments designated at fair value through P&L A/c	–	**(42.74)**	–	(42.74)
Remeasurement of defined benefit obligations through OCI	(107.57)	**–**	3.96	(1,03.61)
Derivative instruments designated at fair value through OCI (CFHR)	(1,93.01)	**–**	99.55	(93.46)
Total Deferred Tax Assets	**(42,22.27)**	**(4,02.72)**	**1,03.51**	**(45,21.48)**

Deferred Tax Liabilities:				
Fair valuation of Financial Liabilities	5,23.60	(1,32.87)	–	**3,90.73**
Temporary difference with respect to Property, Plant & Equipment	3,32,88.38	(23,85.45)	–	**3,09,02.93**
Fair valuation of Derivative instruments designated through P&L A/c	2,23.87	78.26	–	**3,02.13**
Investments designated at fair value through OCI	7.10	–	(2.05)	**5.05**
Total Deferred Tax Liabilities	**3,40,42.95**	**(24,40.06)**	**(2.05)**	**3,16,00.84**
NET DEFERRED TAX (ASSETS)/ LIABILITIES	**2,98,20.68**	**(28,42.78)**	**1,01.46**	**2,70,79.36**

25. Other Non-Current Liabilities

Particulars	**Ref. note no.**	**As at March 31, 2019**	As at March 31, 2018
Advance from customers	25.1	**1,58,70.76**	1,78,69.44
Others		**1,07.08**	1,03.64
		1,59,77.84	1,79,73.08

25.1 Advance from customers amounting to Rs.1,58,57.91 lakhs (previous year Rs. 1,78,47.89 lakhs) received as interest bearing advance for sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

26. Non Current Tax Liabilities (Net)

Particulars	**Ref. note no.**	**As at March 31, 2019**	As at March 31, 2018
Provision for taxation (net of advance tax)	26.1	**42,42.05**	42,19.00
		42,42.05	42,19.00

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

26.1 Includes Rs. 11,37.01 lakhs (net) [previous year Rs. 11,37.01 lakhs (net)] being interest received pertaining to Assessment Years 2003-04 to 2011-12 as the Income Tax Department has filed an appeal before the Calcutta High Court against the order of the the Income Tax Appellate Tribunal, Kolkata and the said appeal is pending.

Further includes Rs. 97.55 lakhs (net) [previous year Rs. 97.55 lakhs (net)] being interest received pertaining to Assessment Year 2012-13 and Assessment Year 2013-14. The Income Tax Appellate Tribunal, Kolkata has dismissed the Income Tax Department's appeal. The Income Tax Department has the option to file an appeal before the Calcutta High Court and the time limit for the same is not yet over.

27. Borrowings

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
SECURED			
Repayable on demand from banks	27.1		
Indian Currency		**3,01,17.25**	1,74,23.10
Foreign Currency		**72,51.83**	1,90,31.64
Suppliers Credit		**1,79,92.44**	19,62.04
		5,53,61.52	3,84,16.78
UNSECURED			
From related parties	55	**–**	100.47
From Others		**80,00.00**	55,00.00
		80,00.00	56,00.47
		6,33,61.52	4,40,17.25

27.1 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 hypothecation of raw materials, finished goods, work in progress, consumable stores and spares, book debts/receivables and other current and non current assets of the company both present and future.

28. Trade Payables

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Payable for Goods and Services			
Total Outstanding dues of Micro enterprises and small enterprises: and	28.1	**38.24**	–
Total Outstanding of creditor other than Micro enterprises and small enterprises	28.3	**2,76,40.45**	2,78,79.77
		2,76,78.69	2,78,79.77

28.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information received by the company from the suppliers regarding the status under the Act.

Particulars	As at March 31, 2019	As at March 31, 2018
a) Principal & Interest amount remaining unpaid but not due as at year end	**38.24**	Nil
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	**Nil**	Nil
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	**Nil**	Nil
d) Interest accrued and remaining unpaid as at year end	**Nil**	Nil
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	**Nil**	Nil

28.2 Dues to Micro and Smalll Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

28.2 Including acceptances of Rs. 1,00,76.60 lakhs (previous year Rs. 95,67.18 lakhs).

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

29. Other Financial Liabilities

Particulars	**Ref. note no.**	**As at March 31, 2019**	As at March 31, 2018
Current maturities of long-term debt			
Secured	22	**1,32,19.92**	2,68,95.75
Unsecured	22	**17,92.50**	885.00
Interest accrued but not due on borrowings		**6,20.58**	9,92.73
Interest accrued and due on borrowings		**–**	38.24
Employee related liability		**10,21.68**	10,07.37
Derivatives at fair value through profit & loss		**–**	1,03.84
Unclaimed dividends	29.1	**82.54**	98.40
Capital vendors		**6,35.36**	3,79.33
Others		**3,58.17**	404.78
		1,77,30.75	3,08,05.44

29.1 The same is not due for deposit to investor education and protection fund.

30. Other Current Liabilities

Particulars	**Ref. note no.**	**As at March 31, 2019**	As at March 31, 2018
Advance from customers	30.1 and 55	**1,00,76.57**	2,18,75.99
Statutory Payables		**78,82.02**	70,47.52
Others		**28.42**	15.54
		1,79,87.01	2,89,39.05

30.1 Advance from customers includes Rs.25,56.70 lakhs (previous year Rs. 26,04.34 lakhs) received as interest bearing advance and Rs. 55,00.24 lakhs (previous year Rs. 4,69.27 lakhs) received from related parties out of which Rs.48,16.18 lakhs is interest bearing advance, against sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

31. Provisions

Particulars	**Ref. note no.**	**As at March 31, 2019**	As at March 31, 2018
Provision for employee benefits	46	**18,48.18**	18,19.65
Other Provisions	31.1	**–**	1,00.81
		18,48.18	19,20.46

31.1 Other Provisions includes provision relating to disputed customer claims/rebates/demands amounting to Nil (previous year Rs. 90.63 lakhs).

31.2 Movement in other provisions are provided below:

Particulars	(Amount Rs. In lakhs)
As at March 31, 2017	9,86.92
Provision during the year	90.63
Reversal/Utilisation during the year	(9,76.74)
As at April 1, 2018	1,00.81
Provision during the year	–
Reversal/Utilisation during the year	(1,00.81)
As at March 31, 2019	–

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

32. Current Tax Liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for taxation (net of advance tax)	–	14,82.47
	–	14,82.47

33. Revenue From Operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	**23,43,75.67**	19,92,51.41
Sale of services	–	164.21
Other operating revenues		
Incentive / Subsidy	**43,83.15**	28,64.02
Others	**3,01.93**	3,27.92
	23,90,60.75	20,26,07.56

33.1 Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax(VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standards and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the year ended 31st March, 2019 is not comparable to previous year. The following additional information is being provided to facilitate such understanding:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations (A)	**23,90,60.75**	20,26,07.56
Excise duty on sale (B)	–	9,96.28
Revenue from operations excluding excise duty on sale (A-B)	**23,90,60.75**	20,16,11.28

33.2. **Revenue From Contracts with Customer**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from Sale of products (Transferred at point in time)		
Manufacturing		
Ductile Iron pipes	**16,21,48.17**	14,64,64.59
Ductile Iron fittings	**2,39,94.53**	1,27,13.86
Cast Iron pipes	**1,54,10.47**	81,30.18
Others	**3,04,34.17**	2,13,51.79
Trading		
Coke and Coal	**8,90.39**	63,36.83
Ductile Iron pipes	**1,42.63**	36,55.26
Ductile Iron Fittings	**13,55.30**	5,52.61
Others	–	46.29
Revenue from Sale of services		
Execution of turnkey projects	–	1,64.21
Other operating revenues		
Incentive / Subsidy	**43,83.15**	28,64.02
Others	**3,01.93**	3,27.92
	23,90,60.74	20,26,07.56

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

33.2. **Revenue From Contracts with Customer** *(Contd.)*

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
B. Revenue from contracts with customers disaggregated based on geography #		
Within India	**12,96,93.90**	13,83,93.99
Outside India	**10,46,81.77**	6,10,21.63
	23,43,75.67	19,94,15.62
C. Revenue from contracts with customers disaggregated based on type of customer		
Government	**5,06,42.40**	3,95,51.86
Non Government	**18,37,33.27**	15,98,63.76
	23,43,75.67	19,94,15.62
Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	**23,43,82.10**	19,95,06.25
Adjustments made to contract price on account of:		
a) Price Adjustments	**6.43**	90.63
	23,43,75.67	19,94,15.62

for detail refer note no. 55

The amounts receivable from customers become due after the expiry of credit period which on an average is ranging between 90 to 270 days.
The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.
There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.
Revenue from sale of the products are recorded at a point in time and those from sale of services over a period of time.

34. Other Income

Particulars	**Ref. note no.**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Interest Income			
On loans, deposits, overdue debts etc.		**14,73.14**	13,05.13
On Financial Assets measured at amortised cost		**1,47.80**	1,86.24
Others		**–**	47.48
Dividend income			
Current investments		**1.51**	2.96
Non current investments		**11,59.26**	11,58.29
Net gain/(loss) on derecognition of financial assets at amortised cost		**56.39**	28.48
Net gain/(loss) on foreign currency transaction and translation		**–**	28,78.68
Net gain/(loss) on Derivative Instruments on fair valuation through profit and loss		**10,33.60**	–
Bad debts realised		**1,37.00**	–
Liability / Provision no longer required written back		**8,74.38**	23,11.44
Gain on redemption of financial liability at amortised cost		**8,03.25**	–
Miscellaneous income	34.1	**7,27.17**	1,88.17
		64,13.50	81,06.87

34.1 Miscellaneous income includes coal compensation cess amounting to Rs. 3,56.17 lakhs (previous year Nil) recognised during the year which is related to previous year on account of notification issued during the year by the appropriate authorities.

35. Cost of materials consumed

Particulars	**Ref. note no.**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Raw materials consumed	35.1	**11,05,88.28**	8,60,67.67
		11,05,88.28	8,60,67.67

35.1 Cost of material consumed includes Rs. 6,97.88 lakhs (previous year Rs.49,74.01 lakhs) in relation to cost of goods sold as raw materials.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

36. Purchases of Stock In Trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Coke and coal	1,81.99	12,83.18
Rubber gaskets	24,24.01	24,14.46
DI Pipes	–	32,38.63
DI fittings	12,88.54	5,17.17
Others	17,47.12	3,47.44
	56,41.66	78,00.88

37. Changes in inventories of Finished goods, Stock-in-Trade and Work-in-progress

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock		
Finished	81,89.77	83,07.63
Process	85,98.36	81,72.92
Work in Progress (Turnkey Projects)	–	2,74.84
	1,67,88.13	1,67,55.39
Less : Closing Stock		
Finished	1,78,93.19	81,89.77
Process	51,63.52	85,98.36
	2,30,56.71	1,67,88.13
	(62,68.58)	(32.74)

38. Employee Benefits Expense

Particulars	Ref. note no.	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	46	1,76,35.32	1,65,07.08
Contribution to provident and other funds	46	9,22.39	8,04.69
Staff welfare expenses		8,58.60	8,59.74
		1,94,16.31	1,81,71.51

39. Finance Costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	1,66,40.67	1,59,10.11
Net (gain)/loss on foreign currency transactions and translation	27,41.21	5,31.60
Other borrowing cost	31,58.34	37,90.12
	2,25,40.22	2,02,31.83

40. Depreciation and Amortisation Expenses

Particulars	Ref. note no.	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation Expenses	5	53,39.72	56,12.50
Amortization Expenses	6	1,42.07	3,09.35
		54,81.79	59,21.85

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

41. Other Expenses

Particulars	**Ref. note no.**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Consumption of stores and spare parts		**1,49,19.47**	1,33,12.82
Power and fuel		**1,63,68.00**	1,50,21.81
Material Handling Charges		**23,08.96**	21,06.18
Rent	41.4(B)	**9,47.13**	14,34.76
Repairs to buildings		**3,56.02**	3,59.68
Repairs to machinery		**5,38.22**	6,04.22
Insurance		**2,25.05**	2,63.33
Rates and taxes		**3,44.34**	3,41.60
Directors fees and commission		**45.50**	74.42
Freight & forwarding charges		**1,59,02.09**	1,50,44.59
Commission to selling agents		**57,74.01**	51,56.59
Excise duty paid and on stock		**–**	5,22.96
Loss on sale of fixed assets (net)		**2,80.47**	63.75
Net Loss/(Gain)/ on foreign currency transaction and translation		**19,90.92**	–
Net Loss/(Gain) on fair valuation of Derivative Instruments through Profit and Loss		**–**	22,31.68
Net Loss/(Gain) on fair valuation of Current investments through Profit and Loss (net)		**8.33**	6.36
Sundry balances/CWIP/Advances written off		**6,90.33**	–
Credit loss allowances on Trade Receivable/Advances		**1,96.02**	–
Impairment of investment		**8,22.81**	–
Miscellaneous expenses	41.1 & 41.3	**1,33,00.78**	1,16,49.82
		7,50,18.45	6,81,94.57

41.1 Miscellaneous expenses includes Auditor's Remuneration

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
(a) Audit Fees	**20.00**	17.00
(b) Certification charges*	**35.15**	31.01
(c) Reimbursement of expenses	**0.45**	0.16

* Includes Nil (previous year Rs. 13.76 lakhs) paid to erstwhile Auditor

41.2 During the year, the Company has incurred Rs. 1,11.77 lakhs (previous year Rs. 1,15.65 lakhs) in the nature of salary and wages on account of research and development expenses which has been charged to Statement of Profit and Loss.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

41.3 During the year, the Company has incurred Rs. 1,15.00 lakhs (previous year Rs.1,56.00 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Miscellaneous Expenses.

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Gross amount required to be spent by the Company during the year		
(b) Amount spent during the year on :		
(i) Construction / acquisition of any assets		
- In Cash	–	–
- Yet to be paid in cash	–	–
Total	–	–
(ii) On purpose other than (i) above		
- In Cash	**1,15.00**	1,56.00
- Yet to be paid in cash	–	–
Total	**1,15.00**	1,56.00

41.4 **Obligation under leases**

A. Finance Lease disclosures :

The leasehold lands are located at Kashberia, Haldia, East Mednipur, West Bengal and has been classified under finance lease having lease term for a period of 90 years.

The net carrying amount of the leasehold land is Rs. 11,95.25 lakhs as at March 31, 2019 (previous year Rs.12,11.24 lakhs).

Finance Lease Liabilities

Particulars	Minimum Lease payments		Present value of Minimum Lease Payments	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Not later than one year	**3.31**	3.15	**2.96**	2.82
Later than one year and not later than five years	**19.20**	18.29	**12.36**	11.77
Later than five years	**23,59.24**	23,63.46	**33.64**	32.06

B. Operating Lease disclosures:

The Company has certain operating lease arrangements for office accommodations etc. with tenure extending upto 3 years. Term of certain lease arrangements include escalation clause for rent on expiry of 12 months from the commencement date of such lease. Expenditure incurred on account of rent during the year and recognized in the Profit and Loss account amounts to Rs. 4,77.21 lakhs (previous year Rs. 4,73.52 lakhs).

42. Exceptional Items

Particulars	Ref. note no.	For the year ended March 31, 2019	For the year ended March 31, 2018
Exceptional Items			
On account of :			
Fair valuation of investment of Electrosteel Steels Ltd.	7A.2	**(5,78,68.38)**	–
Write off of advances/trade receivable pertaining to Electrosteel Steels Ltd.	7A.2	**(2,11,21.70)**	–
		(7,89,90.08)	–

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

43. Tax Expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	–	25,03.00
Total Current tax expense recognised in the current year	–	25,03.00
Deferred tax		
In respect of the current year	(23,48.16)	(1,118.64)
In respect of the earlier year	–	(1,724.14)
Total Deferred tax expense recognised in the current year	(23,48.16)	(28,42.78)
Total Tax expense recognised in the current year	(23,48.16)	(339.78)

43.1 **Reconciliation of Income tax expense for the year with accounting profit is as follows:**

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	(6,59,33.96)	43,58.86
Income tax expense calculated at 34.944% (previous year 34.608%)	(23,039.96)	15,08.51
Less : Effect of income Exempt from taxation/ deductible for computing taxable profit		
Dividend	(4,05.62)	(4,01.81)
Effect of other adjustments in respect of earlier year	–	(17,24.14)
Add : Effect of expenses that are not deductible in determining taxable profit		
CSR Expenditure	–	3.81
Donation u/s 80-G	40.33	51.27
Provision for diminution in value of investments	20,509.05	–
Effect of other adjustments	5,48.04	2,22.57
Income tax expense recognised in profit and loss	(23,48.16)	(3,39.79)

The tax rate used for reconciliations above is 34.944% (previous year 34.608%) as applicable for corporate entities on taxable profits under the Indian tax laws.

43.2 **Income tax recognised in other comprehensive income**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	(4.99)	2.05
Remeasurement of defined benefit obligation	(65.76)	(3.96)
Derivative instrument designated at fair value through Cash Flow Hedge Reserve	(93.46)	(99.55)
Total income tax recognised in other comprehensive income	(164.21)	(101.46)
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(70.75)	(1.91)
Items that will be reclassified to profit or loss	(93.46)	(99.55)

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

44. Components of Other Comprehensive Income

Particulars	**Ref. note no.**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans	46	**1,88.18**	14.33
Equity Instrument through Other Comprehensive Income		**(6,23.72)**	(9.09)
		(4,35.54)	5.24
Items that will be reclassified to Statement of Profit and Loss			
Effective portion of Cash flow hedge reserve		**2,67.44**	2,90.25
		2,67.44	2,90.25

45. FINANCIAL INSTRUMENTS

a) The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows :-

Particulars	**As at March 31, 2019**		As at March 31, 2018	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	**6,01,16.38**	**6,01,16.38**	5,59,86.20	5,59,86.20
Cash and cash equivalents	**56,46.93**	**56,46.93**	67,90.37	67,90.37
Bank Balances Other than Cash and Cash Equivalents	**75,04.61**	**75,04.61**	1,35,53.05	1,35,53.05
Loans	**34,97.73**	**34,97.73**	35,21.61	35,21.61
Other Financial Assets	**2,21,61.75**	**2,21,61.75**	2,09,26.81	2,09,26.81
Financial Assets measured at Fair Value through Profit and Loss Account				
Derivative Instruments	**6,33.20**	**6,33.20**	–	–
Investment in Equity Instruments	**75.81**	**75.81**	84.15	84.15
Financial Assets measured at Fair Value through Other Comprehensive Income				
Investment in Equity Instruments other than Subsidiaries, Associates and Joint Venture	**2,134.88**	**2,134.88**	34.09	34.09
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings - fixed rate	**5,12,82.33**	**5,15,29.47**	6,05,82.01	6,14,59.24
Borrowings - floating rate	**11,05,75.76**	**11,05,75.76**	9,57,92.27	9,57,92.27
Trade Payables	**2,76,78.69**	**2,76,78.69**	2,78,79.77	2,78,79.77
Other Financial Liabilities	**27,18.33**	**27,18.33**	29,20.85	29,20.85
Financial Liabilities measured at Fair Value through Profit and Loss Account				
Derivative Instruments	–	–	(2,93.67)	(2,93.67)
Financial Liabilities measured at Fair Value through Other Comprehensive Income				
Derivative Instruments	–	–	3,97.51	3,97.51

b) **Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

1. The fair value of cash and cash equivalents, current trade receivables and payables, current loans, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. In respect of non current trade receivables and loans, fair value is determined by using discount rates that reflect the present borrowing rate of the company.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

2. A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present prevailing rates for similar borrowing in the market.

3. Investments (other than Investments in Associates, Joint Venture and Subsidiaries) traded in active market are determined by reference to the quotes from the Stock exchanges as at the reporting date. 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 debentures, bonds and goverment securities where the net present value at current yeild to maturity have been considered. Unquoted investments in shares have been valued based on the historical net asset value as per the latest audited financial statements.

4. The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counterparties and believes them to be insignificant and not requiring any credit adjustments.

c) Fair value hierarchy

1. The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at balance sheet date:

(Amount Rs. in lakhs)

Particulars	**As at March 31, 2019**	**Fair value measurements at reporting date using**		
		Level 1	**Level 2**	**Level 3**
		Quoted Price in active market	**Significant observable inputs**	**Significant unobservable inputs**
Financial Assets				
Trade Receivables	**–** (128.40)	– –	– (1,28.40)	– –
Security Deposits	**13,67.67** (2,185.23)	– –	13,67.67 (21,85.23)	– –
Investment in Equity Instruments (Current)	**75.81** (84.15)	75.81 (84.15)	–	–
Investment in Equity Instruments other than Subsidiaries, Associates and Joint Venture (Non-Current)	**21,34.88** (34.09)	– –	– –	21,34.88 (34.09)
Derivative Instrument	**633.20** **–**	– –	6,33.20 –	– –
Financial Liabilities				
Borrowings - fixed rate	**5,12,82.33** (60,582.01)	– –	5,12,82.33 (60,582.01)	– –
Derivative Instrument	**–** (103.84)	– –	– (103.84)	– –

(*) Figures in round brackets ( ) indicate figures as at March 31, 2018

2. During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1, Level 2 and Level 3.

3. The Inputs used in fair valuation measurement are as follows:

   i) Fair valuation of Financial assets and liabilities not within the operating cycle of the company is amortised based on the borrowing rate of the company.

   ii) Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

iii) Unquoted investments in shares have been valued based on the amount available to shareholder's as per the latest audited financial statements. There were no external unobservable inputs or assumptions used in such valuation.

(d) **Derivatives financial assets and liabilities :**

The Company follows established risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as non-material.

(i) The following tables present the aggregate contracted principal amounts of the Company's derivative contracts outstanding :

Sl. No.	Underlying Purpose	Category	As at March 31, 2019		As at March 31, 2018		Currency
			No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
1	Export Receivables	Forward	**43**	**2,78,92,662**	36	2,76,17,906	USD/INR
2	Export Receivables	Forward	**15**	**62,37,714**	4	15,37,714	GBP/USD
3	Export Receivables	Forward	**1**	**5,00,000**	–	–	GBP/INR
4	Export Receivables	Forward	**18**	**95,74,224**	29	1,89,16,226	EURO/USD
5	Export Receivables	Forward	**18**	**1,08,21,557**	1	5,00,000	EURO/INR
6	Export Receivables	Forward	**5**	**20,00,000**	4	16,12,951	SGD/USD
7	Export Receivables	Forward	**2**	**9,95,858**	–	–	SGD/INR
8	Imports & Other payables	Forward	**13**	**1,89,72,666**	5	92,78,789	USD/INR
9	External Commercial Borrowings Principal & Interest payment	Forward	**–**	**–**	2	10,00,000	USD/INR
10	Buyers Credit/ Supplier's Credit	Option	**3**	**1,06,20,384**	6	1,45,79,772	USD/INR
11	External Commercial Borrowings Principal & Interest payment	Option	**4**	**2,00,00,000**	4	2,18,00,000	USD/INR
12	External Commercial Borrowings Interest payment	Interest Rate Swap	**14**	**2,72,00,000**	14	4,08,00,000	USD
13	External Commercial Borrowings Interest payment	Interest Rate Cap	**3**	**63,75,000**	3	76,50,000	USD
14	FCNR Loan Principal and Interest Payment	Currency and Interest Rate Swap	**–**	**–**	1	1,26,28,399	USD

(ii) Un hedged Foreign Currency exposures are as follows : – (Amount in Foreign Currency)

Nature	Currency	As at March 31, 2019	As at March 31, 2018
Payables			
ECB Payable (include accrued interest)	USD	**1,29,73,394**	4,30,66,707
Buyer's Credit / Supplier's Credit /PCFC/Acceptances (includes accrued interest)	USD	**1,35,51,299**	74,19,626
Imports & Other payables	USD	**34,11,230**	39,57,988
Imports & Other payables	EURO	**96,052**	7,07,206
Imports & Other payables	GBP	**28,198**	32,369
Imports & Other payables	AED	**4,397**	5,68,412
Imports & Other payables	AUD		2,000
Receivable			
Exports & Other receivables	GBP	**–**	10,03,968
Exports & Other receivables	SGD	**1,29,283**	11,38,852
Exports & Other receivables	USD	**79,18,197**	91,06,901
Exports & Other receivables	EURO	**–**	26,38,133
Exports & Other receivables	AED	**–**	1,53,087

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(iii) The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

(Amount Rs. in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Not later than one month	**(3,43.13)**	(1,24.02)
Later than one month and not later than three months	**26.35**	(60.87)
Later than three months and not later than one year	**6,65.57**	(1,03.77)
Later than one year	**2,84.41**	1,84.82

(iv) The company has entered into USD INR Currency Swap to hedge both the principal and interest payments of the borrowing from bank amounting to USD 16.62 Mn. The critical terms of both the hedging instrument (i.e the Full currency swap) and the hedged item (i.e the borrowing) are closely aligned, thereby establishing an economic relationship between them. The Currency Swap is hence designated as hedging instrument in cash flow hedges. As the economic relationship ceases to exist during the year, cash flow hedge reserve has been transferred to statement of profit and loss.

(v) The following table provides the reconciliation of cash flow hedge reserve :

(Amount Rs. in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Balance at the beginning of the period	**(1,73.98)**	(3,64.68)
Gain/(loss) recognised in OCI during the period	**3,97.52**	3,67.32
Amount reclassified to Profit and Loss account during the period	**(1,30.07)**	(77.07)
Tax impact on above	**(93.46)**	(99.55)
Balance at the end of period	**–**	(1,73.98)

(e) **Sale of Financial Assets**

In the normal course of business, the Company transfers its bill receivables to banks. Under the terms of the agreements, the Company surrenders control over the financial assets and the transfer is with recourse. Under arrangement with recourse, the company is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with banks. As at March 31, 2019 and March 31, 2018 the maximum amount of recourse obligation in respect of financial assets are Rs 46,70.54 lakhs and Rs. 29,04.98 lakhs respectively.

(f) **Financial Risk Factors**

The Company's activities are exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

1. **Market Risk**

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

i) **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings, trade receivables and trade or other payables.

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 its risk management initiatives and also takes experts advice on regular basis on hedging strategy.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows :

As at March 31, 2019

(Amount Rs. in lakhs)

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other Current Liabilities	Net Assets/ (Liabilities)
USD	**1,04,09.31**	**4,79,05.40**	**2,57,39.87**	**(6,32,35.96)**
EURO	**1,53,83.23**	**–**	**74.50**	**1,53,08.73**
GBP	**58,08.29**	**–**	**25.41**	**57,82.88**
SGD	**15,94.27**	**–**	**–**	**15,94.27**
AED	**–**	**–**	**0.83**	**(0.83)**
TOTAL	**3,31,95.10**	**4,79,05.40**	**2,58,40.61**	**(4,05,50.91)**

As at March 31, 2018

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other Current Liabilities	Net Assets/ (Liabilities)
USD	75,81.46	7,16,75.19	2,07,68.46	(8,48,62.19)
EURO	1,76,80.01	–	567.86	1,71,12.15
GBP	23,21.47	–	29.56	22,91.90
SGD	13,68.24	–	–	13,68.24
AED	2.72	100.47	0.40	(98.15)
HKD	–	–	1.00	(1.00)
TOTAL	2,89,53.89	7,17,75.66	2,13,67.29	(6,41,89.05)

Derivative financial assets and liabilities dealing with outstanding derivative contracts and unhedged foreign currency exposure has been detailed in earlier parts. Unhedged foreign currency exposure is primarily on account of long term foreign currency borrowings for which hedge cover is taken as per the policy followed by the company depending upon the remaining period of maturity of the installments falling due for payment.

The following table demonstrates the sensitivity in the USD, Euro, GBP and other currencies to the Indian Rupee with all other variables held constant. The impact on the Company's profit/(loss) before tax in the fair value of monetary assets and liabilities is given below :

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2019	For the year ended March 31, 2018
RECEIVABLES (Weakening of INR by 5%)		
USD	**2,73.77**	4,94.19
EURO	**–**	1,05.92
GBP	**–**	45.85
SGD	**3.30**	29.80
PAYABLES (Weakening of INR by 5%)		
USD	**(10,35.03)**	(17,91.76)
EURO	**(3.73)**	(28.39)
GBP	**(1.27)**	(1.48)

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

ii) **Interest rate risk**

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk. The Company has entered into interest rate swap contracts in respect of certain foreign currency borrowings whereby interest at an agreed rate are to be applied on agreed upon principal amount. The company maintains a portfolio mix of fixed and floating rate borrowings. As at March 31, 2019, after taking into account interest rate swaps, approximately 43.30% (March 31, 2018: 63.57%) of the company's borrowings become fixed rate interest borrowing.

Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

(Amount Rs. in lakhs)

Nature of Borrowing	**Increase in basis points**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Rupee Loan	+0.50	**4,39.57**	2,25.05
Foreign Currency Loan	+0.25	**9.63**	27.85

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in Foreign Currency Loan would have an equal and opposite effect on the Company's financial statements.

iii) **Other price risk**

The Company's equity exposure in Subsidiaries, Associates and Joint Ventures are carried at cost or deemed cost and these are subject to impairment testing as per the policy followed in this respect. The company's current investments which are fair valued through profit and loss are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

2. **Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Major water infrastructure projects are Government funded or foreign aided and the risk involved in payment default is minimum with respect to these customers. Besides, export receivables are primarily from subsidiaries and sales made by them is covered under Credit Insurance. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly and the company obtains necessary security including letter of credits and/or bank guarantee to mitigate.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, except for one foreign subsidiary, there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2019 and March 31, 2018.

The Company extends credit to customers as per the internal credit policy. Any deviation are approved by appropriate authorities, after due consideration of the customers credentials and financial capacity, trade practices and prevailing business and economic conditions. The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the customers etc. Company computes credit loss allowance based on a provision matrix based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

3. **Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. The company's assets represented by financial instruments comprising of receivables, and those relating to Parbatpur Coal mines (refer note no. 47) are largely funded by borrowed funds. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

i) **Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date :

Interest rate and currency of borrowings

As at March 31, 2019 (Amount Rs. in lakhs)

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Interest free borrowings	Weighted average Interest Rate (%)
INR	**11,39,52.69**	**87,914.62**	**26,038.07**	**–**	**11.58%**
USD	**4,79,05.40**	**22,661.13**	**25,244.27**	**–**	**5.67%**
Total	**16,18,58.09**	**11,05,75.75**	**5,12,82.34**	**–**	

As at March 31, 2018

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Interest free borrowings	Weighted average Interest Rate (%)
INR	8,45,98.61	4,50,10.29	3,95,88.32	–	11.45%
USD	7,16,75.19	5,06,81.50	2,09,93.69	–	5.33%
AED	1,00.47	–	–	1,00.47	0.00%
Total	15,63,74.27	9,56,91.79	6,05,82.01	1,00.47	

Maturity Analysis of Financial Liabilities

As at March 31, 2019

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	**16,18,58.09**	**1,82,83.55**	**4,09,87.52**	**1,91,02.88**	**8,34,84.14**	**16,18,58.09**
Other Liabilities	**27,18.33**	**27,18.33**	**–**	**–**	**–**	**27,18.33**
Trade and other payables	**2,76,78.69**	**2,76,78.69**	**–**	**–**	**–**	**2,76,78.69**

* Include Rs 5716.87 lakhs as Prepaid Finance Charges.

As at March 31, 2018

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	15,62,73.81	73,56.84	4,66,71.31	1,71,02.24	8,51,43.42	15,62,73.81
Non interest bearing borrowings	1,00.47	1,00.47	–	–	–	1,00.47
Other Liabilities	29,20.85	29,20.85	–	–	–	29,20.85
Trade and other payables	2,78,79.77	2,78,79.77	–	–	–	2,78,79.77

* Include Rs 8,57.25 lakhs as Prepaid Finance Charges.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The company relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

g) **Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Company.

The gearing ratio are as follows : (Amount Rs. in lakh)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Borrowings	**16,18,58.09**	15,63,74.28
Less Cash and Cash Equivalents	**56,46.93**	67,90.37
Net Debt	**15,62,11.16**	14,95,83.91
Equity	**23,78,09.98**	28,91,94.56
Equity and Net Debt	**39,40,21.14**	43,87,78.47
Gearing Ratio	**0.40**	0.34

46. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on ''Employee Benefits" are given below:

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized for the year are as under : (Amount Rs. in lakhs)

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	**2,97.10**	2,86.60
Employer's Contribution to Pension Fund	**2,09.38**	2,07.98
Employer's Contribution to Superannuation Fund	**43.40**	44.66

b) Defined Benefit Plans

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.

(Amount Rs. in lakhs)

	Gratuity (Funded)	
	2018–19	2017-18
i) Change in the fair value of the defined benefit obligation :		
Liability at the beginning of the year	**29,05.13**	27,47.75
Interest Cost	**2,20.17**	2,06.56
Current Service Cost	**1,75.33**	1,69.12
Actuarial (gain) / loss on obligations	**(97.89)**	(53.18)
Benefits paid	**(91.59)**	(1,65.12)
Liability at the end of the year	**31,11.15**	29,05.13

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

		Gratuity (Funded)	
		2018–19	2017-18
ii)	**Changes in the Fair Value of Plan Asset**		
	Fair value of Plan Assets at the beginning of the year	**20,06.94**	16,98.18
	Expected Return on Plan Assets	**1,54.54**	1,31.64
	Contributions by the Company	**2,14.13**	3,65.50
	Benefits paid	**(91.59)**	(1,65.12)
	Actuarial gain / (loss) on Plan Assets	**20.16**	(23.26)
	Fair value of Plan Assets at the end of the year	**23,04.18**	20,06.94
iii)	**Actual return on Plan Asset**		
	Expected return on Plan assets	**1,54.54**	1,31.64
	Actuarial gain / (loss) on Plan Assets	**20.16**	(23.26)
	Actual Return on Plan Assets	**1,74.70**	1,08.38
iv)	**Amount Recognized in Balance Sheet**		
	Liability at the end of the year	**31,11.15**	29,05.13
	Fair value of Plan Assets at the end of the year	**23,04.18**	20,06.94
		8,06.97	8,98.18
v)	**Components of Defined Benefit Cost**		
	Current Service Cost	**1,75.33**	1,69.12
	Interest Cost	**2,20.17**	2,06.56
	Expected Return on Plan Assets	**(1,54.54)**	(1,31.64)
	Net Actuarial (gain) / loss on remeasurement recognised in OCI	**(1,18.05)**	(29.92)
	Total Defined Benefit Cost recognised in Profit and Loss and OCI	**1,22.91**	2,14.12
vi)	**Balance Sheet Reconciliation**		
	Opening Net Liability	**8,98.19**	10,49.57
	Expenses as above	**1,22.91**	2,14.12
	Employers Contribution	**(2,14.13)**	(3,65.50)
	Amount Recognized in Balance Sheet	**8,06.97**	8,98.19

vii) Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows :

Particulars	**As at March 31, 2019**	As at March 31, 2018
G-Sec/ Corporate Securities	**85.80%**	81.99%
Equity	**3.02%**	3.33%
Fixed Deposit and other assets	**11.18%**	14.68%

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2019 is given below:

(Amount Rs. in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Privileged Leave	**13,38.97**	12,87.05
Sick Leave	**9,51.64**	8,50.70
Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	**7.70%**	7.75%
Rate of Return on Plan Assets	**7.70%**	7.75%
Salary Escalation Rate	**6.00%**	6.00%
Withdrawal Rate	**1-8 %**	1-8 %
Rate of Return on Plan Assets	**7.70%**	7.75%

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 150.00 lakhs (previous year Rs. 200.00 lakhs) to Gratuity fund in 2019-20.

Recognised in Other Comprehensive Income

(Amount Rs. in lakhs)

Particulars	**As at March 31, 2019**	As at March 31, 2018
Remeasurement - Acturial loss/(gain)	**1,88.18**	14.33
For the year ended March 31, 2019	**1,88.18**	14.33

Sensitivity Analysis :

Particulars	**Change in Assumption**	**Effect in Gratuity Obligation**
For the year ended 31st March, 2018		
Discount Rate	+1%	27,22.36
	-1%	31,13.16
Salary Growth Rate	+1%	31,12.25
	-1%	27,21.97
Withdrawal Rate	+1%	29,28.59
	-1%	28,79.12
For the year ended 31st March, 2019		
Discount Rate	**+1%**	**29,33.86**
	-1%	**33,48.20**
Salary Growth Rate	**+1%**	**33,46.54**
	-1%	**29,34.10**
Withdrawal Rate	**+1%**	**31,51.19**
	-1%	**31,02.39**

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

History of experience adjustments is as follows :

Particulars	Gratuity
For the year ended March 31, 2018	
Plan Liabilities - (loss)/gain	7.93
Plan Assets - (loss)/gain	23.26
For the year ended March 31, 2019	
Plan Liabilities - (loss)/gain	**96.00**
Plan Assets - (loss)/gain	**(20.16)**

Estimate of expected benefit payments (In absolute terms i.e. undiscounted) :

Particulars	Gratuity
01 Apr 2018 to 31 Mar 2019	4,35.82
01 Apr 2019 to 31 Mar 2020	4,28.31
01 Apr 2020 to 31 Mar 2021	73.45
01 Apr 2021 to 31 Mar 2022	70.20
01 Apr 2022 to 31 Mar 2023	82.69
01 Apr 2023 Onwards	5,01.95

Particulars	As at March 31, 2019	As at March 31, 2018
Average no. of people employed	**1532**	1577

47(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, had 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 March 31,2015. Accordingly, the same had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced it's judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.15,31,76.00 lakhs towards compensation against the said coal block now being allotted to SAIL, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company before the Hon'ble High Court, the Hon'ble Court had directed the Nominated Authority under Ministry of Coal to expedite the matter. The Hon'ble Court had further directed the Nominated Authority to take decisions within a specific time frame. During the year the Nominated Authority in its order has upheld its decision of the compensation paid earlier and the same has been contested by the company before the Hon'ble High Court and the matter is pending.

Pending finalisation of the matter as above;

(i) Rs.12,88,84.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective head of accounts;

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 95,14.74 lakhs has been considered as other recoverable under current assets; and

(iii) Compensation of Rs. 83,12.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 20,54.70 lakhs have been adjusted. Bank guarantee amounting to Rs. 9,20.00 lakhs (previous year Rs. 9,20.00 lakhs) has been given against the compensation received.

Disclosures of above balances as per Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

47(b). Various balances pertaining to Coal Block claim and handing over the same as detailed in different heads of accounts includes :

(Amount Rs. in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
Inventories		**14,78.76**		14,78.76
Other current assets		**13,99.78**		13,99.78
Capital Work in Progress:				
Plant and Equipment and others assets under Installation (refer note no: 49)	**3,34,93.90**		3,34,93.90	
Mine Development including overburden removal expenses (Net) (refer note no: 50)	**8,69,09.74**	**12,04,03.64**	8,69,09.74	12,04,03.64
Other Property, Plant and Equipment		**22,43.99**		22,43.99
Capital Advance		**1,08.94**		1,08.94
Freehold Land		**32,49.00**		32,49.00
Other balances with Banks in Fixed Deposit Escrow Accounts	**5,36.93**		5,36.93	
Less: Provision for mine closure and restoration charges	**5,36.93**	**–**	5,36.93	–
Sub Total		**12,88,84.11**		12,88,84.11
Other Recoverable		**95,14.74**		95,14.74
Less: Compensation received		**(83,12.34)**		(83,12.34)
Less: Cenvat credit utilised/claimed/wirtten off	**(13,99.78)**		(50.01)	
Less: Sale of Assets and other realisations	**(6,54.92)**	**(20,54.70)**	(6,54.92)	(7,04.93)
Total		**12,80,31.81**		12,93,81.58

47(c). Due to reasons stated in note no. 47(a) and pending determination of the amount of the claim, balances under various heads which otherwise would have been measured and disclosed as per the requirements of various Indian Accounting Standard have been included under various heads as disclosed under note no. 47(b) considering the circumstances and objective of the financial statements.

48(a). Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect has expired on January 11, 2017. The Company has filed a writ petition before the Hon'ble High Court of Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company.

The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, has admitted the said petition & fixed the case for further hearing and adjudication. Pending decision of the High Court, Rs. 48,63.43 Lakhs (net of Rs. 7,65.58 Lakhs written off during the year) so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress, advances and security deposit.

48(b). Capital work in progress and Security deposits includes a sum of Rs. 40,66.42 lakhs and Rs. 30.44 lakhs respectively towards amount incurred towards construction of railway siding in Haldia, West Bengal . The railway authorities have withdrawn permission for the railway siding .The company has filed a petition before the High Court at Calcutta for appointment of arbitrator to adjudicate the matter and the same is pending before the court. The company is also exploring alternative avenues to utilise the siding. Pending finalization of the matter, these assets have been carried forward at their existing carrying cost.

49. Capital work in progress includes plant and equipments and other assets amounting to Rs.3,56,70.67 lakhs (previous year Rs. 3,22,13.31 lakhs) under installation and capital and other expenditure incured pending completion thereof. (refer note no. 47 and 48).

50. 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 (refer note no. 47 and 48).

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

The details of these expenses are as follows :

Particulars	As at March 31, 2019	As at March 31, 2018
Balance brought forward	**8,79,64.28**	8,81,24.11
Add:		
Miscellaneous Expenses (includes Rs. 19.60 lakhs related to previous year)	**21.46**	–
Total preoperative/development expenses	**8,79,85.74**	8,81,24.11
Add: Opening stock 64,502 MT (previous year 64,502 MT)	**14,46.25**	14,46.25
Less: Closing stock 64,502 MT(previous year 64,502 MT)	**(14,46.25)**	(14,46.25)
Less: Allocated/Transferred during the year to assets capitalised	**–**	(159.83)
Total preoperative and development expenses carried forward	**8,79,85.74**	8,79,64.28

51. Calculation of Earning Per Share is as follows :

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Net profit for basic and diluted earnings per share as per Statement of Profit and Loss	**(6,35,85.80)**	46,98.64
	Net profit for basic and diluted earnings per share	**(6,35,85.80)**	46,98.64
(b)	Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Re. 1/- per share)		
	Number of equity shares outstanding as on 31st March	**405482183**	356955322
	Number of equity shares considered in calculating basic and diluted EPS	**386736190**	356955322
(c)	Weighted average number of equity shares outstanding	**386736190**	356955322
(d)	Earnings per share (EPS) of Equity Share of Re. 1 each :		
	i) Basic (Rs.)	**(16.44)**	1.32
	ii) Diluted (Rs.)	**(16.44)**	1.32

52. As regards construction contracts in progress as on March 31, 2019, aggregate amount of costs incurred and recognised profit (less recognized losses) upto the year end (to the extent ascertained by the management), aggregate amount of advances received and aggregate amount of retentions are Nil , Nil and Rs 1,28.41 lakhs respectively.(previous year are Nil, Nil and Rs 1,28.41 lakhs respectively)

52.(i) The amount of contract revenue recognised as revenue Nil (previous year Rs.1,64.21 lakhs)

53. Commitments

Particulars	As at March 31, 2019		As at March 31, 2018	
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) :		**9,39.60**		12,03.50
(b) Other commitments	**in million**	**Rs. in lakhs**	in million	Rs. in lakhs
i) Sell Forward contract outstanding				
In USD	**27.89**	**1,92,87.78**	27.62	1,79,98.59
In Euro	**20.40**	**1,58,20.10**	19.42	1,55,90.44
In GBP	**6.74**	**60,71.31**	1.54	14,04.48
In SGD	**3.00**	**15,28.32**	1.61	8,01.98
ii) Buy Forward contract outstanding In USD	**18.97**	**1,31,19.60**	10.28	66,98.17
iii) Capital Commitment towards contribution in equity share capital of Electrosteel Algeria SPA		**11,82.25**		11,82.25

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

54.(i) Contingent Liabilities not provided for in respect of :

Particulars	As at March 31, 2019	As at March 31, 2018
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	**72,86.34**	81,74.19
ii) Excise, Custom Duty and Service tax	**52,07.54**	62,77.54
iii) Income Tax	**14,21.14**	50.46
b) Penalty for non compliance of listing agreement and disputed by the Company.	**1,00.00**	1,00.00
c) 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
d) Demand of Tamilnadu Electricity Board disputed by the Company.	**8.20**	8.20
e) 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
f) Standby Letter of Credit issued by banks on behalf of the company in favour of Subsidiary Companies	**83,26.83**	1,01,13.22
g) Financial Guarantees given by banks on behalf of the Company	**42,36.91**	50,82.50
h) Demand of differential railway freight for the year 2008-09 to 2010-11 is Rs. 57,33.29 lakhs which is contested by the company and the matter is pending before the Hon'ble High Court at Calcutta.		
i) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant and has not been provided in the books of account. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.		

Note : The Company's pending litigations comprises of claim against the company and proceedings pending with Taxation/ Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows, if any, in respect of (a) to (e), and (h) to (i) above is dependent upon the outcome of judgments / decisions.

54.(ii) Contingent assets (not recognised for) in respect of :

Particulars	As at March 31, 2019	As at March 31, 2018
a) Claims Under Target Plus Scheme pending completion of legal clearances.	**3,55.00**	3,55.00
b) Claim of commission income from Electrosteel Steels Limited. The matter is pending before the National Company Law Tribunal at Kolkata.	**8,66.72**	–
c) Benefits under Industrial Promotion Scheme **	Amount unascertainable	Amount unascertainable

** Pre Goods & Service Tax (GST), the Company was enjoying certain benefits under Industrial Promotion scheme of state government. Post GST, pending notifications by the state government, on prudent basis, the company has not recognised any income under the scheme for the period July 01, 2017 to March 31, 2019.

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

55. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows :

A) Names of related parties and description of relationship

1) Subsidiary Company	Electrosteel Europe SA Electrosteel Algerie SPA Electrosteel Castings (UK) Limited Electrosteel USA LLC WaterFab, LLC (subsidiary of Electrosteel USA, LLC) Mahadev Vyapaar Pvt Ltd Electrosteel Trading, S.A. Electrosteel Castings Gulf FZE Electrosteel Doha for Trading LLC Electrosteel Brasil Ltda. Tubos e Conexoes Duteis Electrosteel Bahrain Holding SPC Company Electrosteel Bahrain Trading WLL (subsidiary of Electrosteel Bahrain Holding SPC Company)
2) Associate Company	Srikalahasthi Pipes Limited Electrosteel Steels Limited (ceased to be associate w.e.f. 06.06.2018) Electrosteel Thermal Power Limited
3) Joint Venture	North Dhadhu Mining Company Private Limited Domco Private Limited
4) Key Management Personnel (KMP) and close member of their family	Mr. Umang Kejriwal - Managing Director Mr. Mayank Kejriwal - Joint Managing Director Mr. Uddhav Kejriwal - Wholetime Director Mr. Mahendra Kumar Jalan - Wholetime Director Mr. Pradip Kr. Khaitan - Chairman Mr. Binod Kumar Khaitan - Director Mr. Ram Krishna Agarwal - Director Mr. S Y Rajagopalan - Director Mr. Vyas Mitre Ralli - Director Mr. Amrendra Prasad Verma - Director Dr. Mohua Banerjee - Director w.e.f 08.02.2019 Mr. Sunil Katial - Chief Executive Officer w.e.f 29.01.2019 Mr. Brij Mohan Soni - Chief Financial Officer Umang Kejriwal HUF Ms. Nityangi Kejriwal Jaiswal - Daughter of Mr. Umang Kejriwal - KMP (Director till 28.01.2019) Ms. Priya Manjari Todi - Daughter of Mr. Mayank Kejriwal - KMP, Sister of Mr Uddhav Kejriwal - KMP Ms. Priya Sakhi Kejriwal Mehta - Daughter of Mr Umang Kejriwal - KMP Ms. Radha Kejriwal Agarwal - Daughter of Mr Umang Kejriwal - KMP Mr. Madhav Kejriwal - Son of Mr Umang Kejriwal - KMP Mr. Anirudh Jalan - Son of Mr. Mahendra Kumar Jalan - KMP
5) Enterprise where KMP and/or Close member of the family have control	Gaushree Enterprises Tulsi Highrise Private Limited Sri Gopal Investments Ventures Ltd. Global Exports Ltd. Ultimo Logistics Private Limited Krsna Logistics Private Limited Sree Khemisati Constructions Private Limited G K & Sons Private Limited Electrosteel Thermal Coal Limited Badrinath Industries Ltd. Electrocast Sales India Limited Uttam Commercial Company Limited

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

B) Related Party Transactions

Particulars	Subsidiary	Associate	Joint Venture	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.2019	Outstanding as on 31.03.2018
Sale								
Electrosteel Europe SA	3,42,29.13	–	–	–	–	3,42,29.13	1,54,41.50	
Electrosteel Castings (UK) Ltd	1,14,23.96	–	–	–	–	1,14,23.96	70,53.41	
Electrosteel USA, LLC	8,19.35	–	–	–	–	8,19.35	12.16	
Electrosteel Castings Gulf FZE	11,23.36	–	–	–	–	11,23.36	1.45	
Electrosteel Bahrain Trading WLL	46,72.88	–	–	–	–	46,72.88	6,35.67	
Electrosteel Doha for Trading LLC	61,74.84	–	–	–	–	61,74.84	1,59.05	
Srikalahasthi Pipes Limited	–	2,84.19	–	–	–	2,84.19	–	
Total	**5,84,43.52**	**2,84.19**	**–**	**–**	**–**	**5,87,27.71**	**2,33,03.24**	
Previous Year								
Electrosteel Europe SA	2,60,00.21	–	–	–	–	2,60,00.21		1,79,04.78
Electrosteel Castings (UK) Ltd	43,73.86	–	–	–	–	43,73.86		22,78.23
Electrosteel USA, LLC	6,67.89	–	–	–	–	6,67.89		11.31
Electrosteel Castings Gulf FZE	18,23.14	–	–	–	–	18,23.14		11,85.95
Electrosteel Bahrain Trading WLL	38,09.77	–	–	–	–	38,09.77		4,62.72
Electrosteel Doha for Trading LLC	20,23.94	–	–	–	–	20,23.94		1,79.24
Electrosteel Steels Limited	–	61,18.53	–	–	–	61,18.53		28,98.92
Srikalahasthi Pipes Limited	–	4,04.03	–	–	–	4,04.03		2.88
Purchase								
Electrosteel Castings (UK) Ltd	15.07	–	–	–	–	15.07	–	
Srikalahasthi Pipes Limited	–	1,07,30.54	–	–	–	1,07,30.54	14,68.58	
Total	**15.07**	**1,07,30.54**	**–**	**–**	**–**	**1,07,45.61**	**14,68.58**	
Previous Year								
Srikalahasthi Pipes Limited	–	17,98.35	–	–	–	17,98.35		2,89.72
Electrosteel Steels Limited	–	57,34.17	–	–	–	57,34.17		–
Remuneration								
Mr. Umang Kejriwal	–	–	–	2,98.56	–	2,98.56	(9.62)	
Mr. Mayank Kejriwal	–	–	–	13.09	–	13.09	–	
Mr. Uddhav Kejriwal	–	–	–	1,29.89	–	1,29.89	(21.49)	
Mr. Mahendra Kumar Jalan	–	–	–	1,63.41	–	1,63.41	–	
Mr. Sunil Katial	–	–	–	34.32	–	34.32	–	
Mr. Brij Mohan Soni	–	–	–	76.5	–	76.5	–	
Ms. Priya Manjari Todi	–	–	–	17.89	–	17.89	–	
Ms. Priya Sakhi Kejriwal Mehta	–	–	–	5.83	–	5.83	–	
Ms. Radha Kejriwal Agarwal	–	–	–	11.64	–	11.64	–	
Mr. Madhav Kejriwal	–	–	–	4.60	–	4.60	–	
Ms. Nityangi Kejriwal Jaiswal	–	–	–	7.80	–	7.80	–	
Dr. Mohua Banerjee	–	–	–	1.00	–	1.00	–	
Mr. Ram Krishna Agarwal	–	–	–	8.60	–	8.60	–	
Mr. Vyas Mitre Ralli	–	–	–	4.10	–	4.10	–	
Mr. S Y Rajagopalan	–	–	–	5.80	–	5.80	–	
Mr. Binod Kumar Khaitan	–	–	–	10.00	–	10.00	–	
Mr. Pradeep Kr. Khaitan	–	–	–	6.80	–	6.80	–	
Mr. Amrendra Prasad Verma	–	–	–	6.00	–	6.00	–	
Total	**–**	**–**	**–**	**8,05.83**	**–**	**8,05.83**	**(31.11)**	

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	Joint Venture	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.2019	Outstanding as on 31.03.2018
Previous Year								
Mr. Umang Kejriwal	–	–	–	2,41.59	–	2,41.59		(70.92)
Mr. Mayank Kejriwal	–	–	–	19.96	–	19.96		(61.50)
Mr. Uddhav Kejriwal	–	–	–	1,06.54	–	1,06.54		(29.01)
Mr. Mahendra Kumar Jalan	–	–	–	1,57.65	–	1,57.65		–
Mr. S.Y.Ganapathy	–	–	–	16.51	–	16.51		–
Mr. Brij Mohan Soni	–	–	–	72.18	–	72.18		–
Ms. Priya Manjari Todi	–	–	–	7.00	–	7.00		–
Ms. Priya Sakhi Kejriwal Mehta	–	–	–	3.95	–	3.95		–
Ms. Nityangi Kejriwal Jaiswal	–	–	–	7.50		7.50		6.00
Mr. Ram Krishna Agarwal	–	–	–	17.10	–	17.10		12.00
Mr. Vyas Mitre Ralli	–	–	–	8.10	–	8.10		6.00
Mr. S Y Rajagopalan	–	–	–	9.40	–	9.40		6.00
Mr. Binod Kumar Khaitan	–	–	–	12.30	–	12.30		6.00
Mr. Pradeep Kr. Khaitan	–	–	–	10.30	–	10.30		6.00
Mr. Amrendra Prasad Verma	–	–	–	8.50	–	8.50		6.00
Rent Paid								
Tulsi Highrise Private Limited	-	-	-	-	52.01	52.01	-	
Sri Gopal Investments Ventures Ltd	-	-	-	-	21.00	21.00	-	
Mahadev Vyapaar Pvt Ltd	18.00	-	-	-	-	18.00	-	
Sree Khemisati Constructions Private Limited	-	-	-	-	7.20	7.20	-	
Badrinath Industries Limited	-	-	-	-	30.00	30.00	-	
Total	**18**	**-**	**-**	**-**	**1,10.21**	**1,28.21**	**-**	
Previous Year								
Tulsi Highrise Private Limited	-	-	-	-	52.01	52.01		-
Sri Gopal Investments Ventures Ltd	-	-	-	-	21.00	21.00		-
Mahadev Vyapaar Pvt Ltd	18.00	-	-	-	-	18.00		-
Sree Khemisati Constructions Private Limited	-	-	-	-	7.20	7.20		-
Badrinath Industries Limited	-	-	-	-	30.00	30.00		-
Service Charges Paid								
Sree Khemisati Constructions Private Limited	-	-	-	-	2,69.71	2,69.71	4.37	
Krsna Logistics Private Limited	-	-	-	-	-	-	1.20	
Global Exports Ltd.	-	-	-	-	90.00	90.00	-	
Mr. Anirudh jalan	-	-	-	1.20	-	1.20	-	
Sri Gopal Investments Ventures Ltd	-	-	-	-	2.19	2.19	-	
Total	**-**	**-**	**-**	**1.20**	**3,61.90**	**3,63.10**	**5.57**	
Previous Year								
Ultimo Logistics Pvt. Ltd.	-	-	-	-	1,35.53	1,35.53		-
Sree Khemisati Constructions Private Limited	-	-	-	-	2,71.66	2,71.66		4.37
Krsna Logistics Private Limited	-	-	-	0.00	1,68.12	1,68.12		1.20
Global Exports Ltd.	-	-	-	-	90.00	90.00		-
Mr. Anirudh Jalan	-	-	-	1.80	-	1.80		0.15
Sri Gopal Investments Ventures Ltd	-	-	-	-	2.76	2.76		0.11

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	Joint Venture	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.2019	Outstanding as on 31.03.2018
Service Charges Received								
Electrosteel Steels Limited	-	1,09.67	-	-	-	1,09.67	-	
Electrosteel Europe SA	69.60	-	-	-	-	69.60	-	
Electrosteel Castings (UK) Ltd	52.32	-	-	-	-	52.32	-	
Electrosteel USA, LLC	34.07	-	-	-	-	34.07	-	
Electrosteel Castings Gulf FZE	1,11.74	-	-	-	-	111.74	-	
Total	**2,67.73**	**1,09.67**	**-**	**-**	**-**	**3,77.40**	**-**	
Previous Year								
Electrosteel Steels Limited	-	2,10.21	-	-	-	2,10.21		4,65.93
Electrosteel Europe SA	29.47	-	-	-	-	29.47		29.32
Electrosteel Castings (UK) Ltd	19.38	-	-	-	-	19.38		19.24
Electrosteel USA, LLC	11.95	-	-	-	-	11.95		11.99
Loan Taken								
Previous Year								
Electrosteel Castings Gulf FZE	-	-	-	-	-	-		1,00.47
Reimbursements of expenses paid								
Electrosteel Europe SA	15.91	-	-	-	-	15.91	5.28	
Electrosteel Bahrain Trading WLL	5.36	-	-	-	-	5.36	-	
Total	**21.27**	**-**	**-**	**-**	**-**	**21.27**	**5.28**	
Previous Year								
Electrosteel Europe SA	19.18	-	-	-	-	19.18		11.34
Electrosteel Castings (UK) Ltd	2.05	-	-	-	-	2.05		-
Reimbursements of expenses received								
Srikalahasthi Pipes Limited	-	12.03	-	-	-	12.03	-	
Total	**-**	**12.03**	**-**	**-**	**-**	**12.03**	**-**	
Previous Year								
Electrosteel Castings (UK) Ltd	36.16	-	-	-	-	36.16		23.99
Electrosteel Europe SA	62.27	-	-	-	-	62.27		61.95
Srikalahasthi Pipes Limited	-	13.67	-	-	-	13.67		-
Electrosteel Steels Limited	-	-	-	-	-	-		5.89
Electrosteel USA, LLC	28.72	-	-	-	-	28.72		28.81
Corporate Guarantee, Standby Letter of Credit and Letter of Comfort								
Electrosteel Europe SA	-	-	-	-	-	-	34,12.88	
Electrosteel Algerie SPA	-	-	-	-	-	-	13,83.00	
Electrosteel Castings (UK) Ltd	-	-	-	-	-	-	18,02.19	
Electrosteel USA, LLC	-	-	-	-	-	-	17,28.75	
Total	**-**	**-**	**-**	**-**	**-**	**-**	**83,26.82**	
Previous Year								
Electrosteel Europe SA	-	-	-	-	-	-		35,27.48
Electrosteel Algerie SPA	-	-	-	-	-	-		17,59.59
Electrosteel Castings (UK) Ltd	-	-	-	-	-	-		31,96.90
Electrosteel USA, LLC	-	-	-	-	-	-		16,29.25

Notes to Financial Statements for the year ended March 31, 2018 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	Joint Venture	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.2019	Outstanding as on 31.03.2018
Commission								
Electrosteel Doha for Trading LLC	9,95.67	–	–	–	–	9,95.67	8,61.66	
Electrosteel Castings Gulf Fze	1,77.55	–	–	–	–	1,77.55	1,36.97	
Total	**11,73.22**	**–**	**–**	**–**	**–**	**11,73.22**	**9,98.63**	
Previous Year								
Electrosteel Doha for Trading LLC	3,86.02	–	–	–	–	3,86.02		4,37.38
Electrosteel Algeria SPA	8.64	–	–	–	–	8.64		8.64
Electrosteel Castings Gulf FZE	34.62	–	–	–	–	34.62		35.03
Security Deposits								
Sri Gopal Investments Ventures Ltd	–	–	–	–	–	–	10.50	
Electrosteel Thermal Coal Limited	–	–	–	–	–	–	1,89.68	
Tulsi Highrise Private Limited	–	–	–	–	–	–	2,85.00	
Total	**–**	**–**	**–**	**–**	**–**	**–**	**4,85.18**	
Previous Year								
Sri Gopal Investments Ventures Ltd	–	–	–	–	1.50	1.50		10.50
Electrosteel Thermal Coal Limited	–	–	–	–	–	–		1,89.68
Tulsi Highrise Private Limited								2,85.00
Dividend Received								
Srikalahasthi Pipes Limited	–	11,58.07	–	–	–	11,58.07	–	
Total	**–**	**11,58.07**	**–**	**–**	**–**	**11,58.07**	**–**	
Previous Year								
Srikalahasthi Pipes Limited	–	11,58.07	–	–	–	1158.07		–
Rent Receipts								
Previous Year								
Electrosteel Steels Limited	–	0.15	–	–	–	0.15		–
Advances Given								
Mahadev Vyapaar Pvt Ltd	–	–	–	–	–	–	3,62.43	
Electrosteel Thermal Coal Limited	–	–	–	–	–	–	1.00	
Total	**–**	**–**	**–**	**–**	**–**	**–**	**3,63.43**	
Previous Year								
Electrosteel Steels Limited	–	–	–	–	–	–		1,77,80.51
Mahadev Vyapar Pvt Ltd	–	–	–	–	–	–		3,81.44
Electrosteel Thermal Power Limited	–	–	–	–	–	–		5.27
Electrosteel Thermal Coal Limited	–	–	–	–	–	–		1.00
Advances Taken								
Electrosteel Doha for Trading LLC	12,81.23	–	–	–	–	12,81.23	3,88.50	
Electrosteel Castings Gulf FZE	9,75.18	–	–	–	–	975.18	2,95.56	
Srikalahasthi Pipes Limited	–	50,00.00	–	–	–	50,00.00	48,16.18	
Total	**22,56.41**	**50,00.00**	**–**	**–**	**–**	**72,56.41**	**55,00.24**	
Previous Year								
Electrosteel Doha for Trading LLC	4,83.47	–	–	–	–	4,83.47		4,69.27
Interest Paid								
Srikalahasthi Pipes Limited	–	2,30.14	–	–	–	2,30.14	–	
Total	**–**	**2,30.14**	**–**	**–**		**2,30.14**	**–**	
Previous Year								

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	Joint Venture	KMP & Close members of family	KMP have control	Total	Outstanding as on 31.03.2019	Outstanding as on 31.03.2018
Equity Share contribution								
Electrocast Sales India Ltd.	-	-	-	-	10,00.00	10,00.00	-	
Uttam Commercial Co Ltd	-	-	-	-	10,00.00	10,00.00	-	
G.K. & Sons Pvt. Ltd.	-	-	-	-	20,00.00	20,00.00	-	
Total	**-**	**-**	**-**	**-**	**40,00.00**	**40,00.00**	**-**	
Previous Year								
Employee Welfare Expenses	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Gaushree Enterprises	–	–	–	–	0.37	0.37	–	–
Total	**–**	**–**	**–**	**–**	**0.37**	**0.37**	**–**	**–**
Previous Year								
Gaushree Enterprises	–	–	–	–	0.11	0.11	–	0.11

C. Details of compensation paid to KMP during the year are as follows :

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Short–term employee benefits	**6,98.63**	5,78.98
Post–employment benefits*	**–**	–
Other long–term benefits*	**–**	–

* Post -employment benefits and other long-term benefits is being disclosed based on actual payment made on retirement /resignation of services, but does not includes provision made on actuarial basis as the same is available for all employees together.

D. Terms and conditions of transactions with related parties

a. The transactions with related parties have been entered at an amount whch are not materially different from those on normal commercial terms.

b. The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.

c. The remuneration of directors is determined by the Nominations & Remuneration Committee having regard to the performance of individuals and market trends.

55.1 In respect of the above parties, there is no provision for doubtful debts as on March 31,2019 and no amount has been written off or written back during the year in respect of debt due from/to them.

55.2 The above related party information is as identified by the management.

55.3 Details of Loans, Investments and Guarantees covered u/s 186(4) of the Companies Act, 2013 :

a) Details of Loans and Investments are given under the respective heads (refer note no. 7, 7A, 13 and 19.3).

b) Details of Corporate Guarantee/ Standby 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, 2019	As at March 31, 2018
Electrosteel Europe SA	August 12, 2015	Short Term Loan Facility	**23,26.97**	24,05.10
	August 12, 2015	Short Term Loan Facility	**10,85.92**	11,22.38
Electrosteel Algerie SPA	March 30, 2016	Working capital facility	**13,83.00**	17,59.59
Electrosteel Castings (UK) Ltd.	May 31, 2015	Short Term Loan Facility	**–**	13,70.10
	January 1, 2018	Short Term Loan Facility	**18,02.19**	18,26.80
Electrosteel USA LLC	August 20, 2016	Working capital facility	**17,28.75**	16,29.25

Notes to Financial Statements for the year ended March 31, 2019 *(Contd.)*

56. 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	**2018-19**			2017-18		
	Within India	**Outside India**	**Total**	Within India	Outside India	Total
Sales (gross)	**12,96,93.90**	**10,46,81.77**	**23,43,75.67**	13,83,93.99	6,10,21.63	19,94,15.62
Non-Current Assets other than financial instruments	**27,98,37.01**	**–**	**27,98,37.01**	28,08,61.50	–	28,08,61.50

57. In accordance with the requirements of Ind AS, revenue from operations for the year ended March 31, 2019 is net of Goods and Service Tax (GST). However revenue for the year ended March 31, 2018 being inclusive of excise duty (only for quarter ended June, 2017) are not comparable with corresponding figures.

58. The company has opted for continuing accounting policy in respect of exchange difference arising on reporting of long term foreign currency monetary items in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". Accordingly, during the year ended 31st March 2019 the net exchange difference of Nil [previous year Rs. 7.12 lakhs] on foreign currency loans have been adjusted in the carrying amount of fixed assets / capital work in progress. The unamortised balance is Rs 2,64,39.70 lakhs (previous year Rs 2,66,33.54 lakhs).

59. The Board of Directors of the Company, at its meeting held on August 11, 2014 had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary, Mahadev Vyapaar Pvt Ltd with the Company with effect from April 1, 2014 ("Appointed Date"). Mahadev Vyapaar Pvt Ltd had filed an application before the Hon'ble High Court at Calcutta, which has sanctioned the said Scheme. The matter is pending before National Company Law Tribunal, Cuttack Bench ("NCLT"). No effect of the Scheme has therefore been given in these financial statements.

60. These financial statements have been approved by the Board of Directors of the Company on May 15, 2019 for issue to the shareholders for their adoption.

61. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our report of even date
For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 15, 2019

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

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, 2019

PART ' A' : Subsidiaries

(Amount Rs. in lakhs)

Sl. No.	Name of the Subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Year	Exchange Rate	Equity Share Capital	Other Equity	Total Assets	Total Liabilities	Investment	Revenue from Operation/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Other Comprehensive Income	Total Comprehensive Income	Proposed dividend	%age of share holding	Country
1	Electrosteel Algerie SPA*	January 21, 2004	N.A.	DZD	2018–19	0.58	17,00.16	(7,31.13)	20,55.18	10,86.15	–	6,14.44	4,17.85	–	4,17.85	–	4,17.85	–	100%	Algeria
2	Electrosteel Castings (UK) Limited	January 17, 2005	N.A.	GBP	2018–19	90.11	9,91.20	8,66.65	1,50,72.99	1,32,15.14	–	1,78,86.77	10,17.83	1,51.18	8,66.65	–	8,66.65	–	100%	United Kingdom
3	Electrosteel Europe S.A.	December 24, 2001	N.A.	EURO	2018–19	77.57	29,47.49	29,71.03	3,22,70.64	2,63,52.12	0.43	4,88,46.70	3,49.39	1,44.25	2,05.14	–	2,05.14	–	100%	France
4	Electrosteel USA, LLC#	September 30, 2008	N.A.	USD	2018–19	69.15	20,74.50	(4,90.82)	37,87.58	22,03.90	–	54,85.66	8,80.53	–	8,80.53	–	8,80.53	–	100%	USA
5	Electrosteel Trading S.A, Spain	December 13, 2011	N.A.	EURO	2018–19	77.57	50.42	45.92	11,96.65	11,00.31	–	16,52.22	6.34	1.58	4.76	–	4.76	–	100%	Spain
6	Electrosteel Doha for Trading LLC	September 30, 2012	N.A.	QAR	2018–19	19.00	37.99	20,76.85	34,59.18	13,44.34	–	97,41.59	17,77.31	2,30.55	15,46.76	–	15,46.76	–	49%	Qatar
7	Electrosteel Castings Gulf Fze	August 2, 2012	N.A.	AED	2018–19	18.83	1,88.28	13,83.13	16,95.07	1,23.66	–	17,88.07	89.22	–	89.22	–	89.22	–	100%	UAE
8	Electrosteel Brasil LTDA. Tubos e Conexoes Duteis	January 22, 2013	N.A.	BRL	2018–19	17.62	26.43	(85.91)	0.49	59.97	–	0.30	0.27	–	0.27	–	0.27	–	100%	Brazil
9	Mahadev Vyapaar Private Limited	August 26, 2011	N.A.	RS.	2018–19	–	1.00	16,01.09	19,71.02	3,68.93	–	18.00	11.70	2.81	8.89	–	8.89	–	100%	India
10	Electrosteel Bahrain Holding S.P.C Company ##	March 17, 2015	N.A.	BHD	2018–19	1,83.54	4,58.86	10,85.25	25,06.77	9,62.66	–	57,52.27	3,43.11	–	3,43.11	–	3,43.11	–	100%	Bahrain

Notes :

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 March 31, 2019.

* The financial year of the company is calander year as per host country law. However, for the purpose of consolidation, financial statement has been drawn as at March end.

Consolidated Financial Statement includes its wholly owned subsidiary WaterFab LLC.

Consolidated Financial Statement includes its subsidiary Electrosteel Bahrain Trading WLL.

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	Date on which Associate or Joint Venture was acquired	Shares of Associate or Joint Ventures held by the company on the year end			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.)	Total Comprehensive Income	
				No. of Shares held by the Company as on March 31, 2019	Amount of investment (Rs in lakhs.)	Extent of holding%				Considered in consolidation (Rs in lakhs.)	Not considered in consolidation (Rs in lakhs.)
1	Srikalahasthi Pipes Limited	March 31, 2019	March 30, 2002	1,93,01,218	4,55,29.64	41.33%	Extent of holding more than 20%	N.A	6,61,91.77	46,13.51	-
2	Electrosteel Steels Limited #	–	July 20, 2007	–	–	–	–	–	–	–	–
3	Electrosteel Thermal Power Limited	March 31, 2019	October 31, 2010	15,000	1.50	30.0%	Extent of holding more than 20%	N.A	0.82	(0.08)	-
4	Domco Private Limited	Ref Note No 7.3	August 24,2005	30,000	30.00	50.00%	Extent of holding more than 20%	Ref Note No 7.2	–	–	–
5	North Dhadhu Mining Company Private Limited	March 31, 2019	October 22,2008	82,28,053	8,22.81	48.98%	Extent of holding more than 20%	Ref Note No 7.3	–	–	–

Ceased to be aasociate w.e.f. 06. 06. 2018. Refer note no.- 7.A

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Kolkata
May 15, 2019

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Standalone Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Amount Rs. in lakhs)

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	245474.25	Not Ascertainable
2.	Total Expenditure	232418.13	
3.	Net Profit/(Loss) (including other comprehensive income)	(63918.11)	
4.	Earnings Per Share	(16.44)	
5.	Total Assets	496929.08	
6.	Total Liabilities	259119.12	
7.	Net Worth (Equity Share Capital plus Other Equity)	237809.96	
8.	Any other financial item(s) (as felt appropriate by the management)	–	–

II. Audit Qualification (each audit qualification separately) :

a. **Details of Audit Qualification :**

Attention has been drawn by the Auditors' under Para 4 of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31st March 2019 -

Para 4: Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.

Para 4: Note No. 7 in respect to Company's investment amounting to Rs. 1653.76 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble Calcutta High Court. Further certain fixed assets of Elavur plant of the Company which are mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity which has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

b. **Type of Audit Qualification:** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~.

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 4 since financial year 2014-15 and Note no. 7 since financial year 2017-18.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :** N.A

e. **For Audit Qualification(s) where the impact is not quantified by the auditor :**

(i) **Management's estimation on the impact of audit qualification :** N.A

(ii) **If management is unable to estimate the impact, reasons for the same:**

Para 4a – 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, had 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 March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Company, the Hon'ble High Court at Delhi has pronounced it's judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company before the Hon'ble High Court, the Hon'ble Court had directed the Nominated Authority under Ministry of Coal to expedite the matter. The Hon'ble Court has further directed the Nominated Authority to take decisions within a specific time frame. During the quarter the Nominated Authority in its order has upheld its decision of the compensation paid earlier and the same has been contested by the company before the Hon'ble High Court and the matter is pending.

Pending finalisation of the matter as above;

(i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective head of accounts;

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs.9514.74 lakhs has been considered as other recoverable under current assets; and

(iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2054.70 lakhs have been adjusted.

Disclosure as per Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/ settlement of the claim.

Para 4b - In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by Electrosteel Steels Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the Company during the quarter ended June 30, 2018. To comply with the requirements of Ind AS 109 "Financial Instruments", the Company had fair valued the investment in ESL and a sum of Rs. 57868.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss in the quarter ended June 30, 2018.

The Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. Further in terms of the approved resolution plan, advances and trade receivable amounting to Rs. 21121.70 lakhs receivable from ESL was written off during the quarter ended September 2018 shown as exceptional item in the statement of Profit and Loss.

During the previous quarter, shares of ESL were delisted and Vedanta Star Limited (holding company of ESL) has made an exit offer to the shareholders of ESL at a price of Rs. 9.54 per share which is open till December 20,2019. In view of non-availability of fair value of shares of ESL due to delisting, the Company has considered the exit price as the basis of valuation of Investment in ESL.

Further 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 1653.76 lakhs as on March 31, 2019 are pledged with the lenders of the ESL. The consortium of the lenders of ESL had issued notice for the invocation of pledged shares which has been disputed by the Company and on the plea filed by the Company, the Hon'ble High Court of Calcutta has set aside the notices issued by the lenders. The Company's plea for release of the pledge is pending before the Hon'ble Court.

One of the lenders of ESL in whose favour the Company had mortgaged certain Land & Building amounting to Rs. 29571.05 lakhs of the Company situated at Elavur, Tamilnadu, has assigned its rights in favour of another entity which has been disputed by the company. Pending settlement of the matter, these assets have been carried forward at their carrying book value.

(iii) Auditors' Comments on (i) or (ii) above :

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the management and as such cannot be commented upon by us.

III. Signatories :

CEO/Managing Director	Umang Kejriwal *Managing Director*
CFO	Brij Mohan Soni *Chief Financial Officer*
Audit Committee Chairman	Binod Kumar Khaitan *Audit Committee Chairman*
Statutory Auditor	For Singhi & Co *Chartered Accountants* Firm's Registration No.: 302049E
	Gopal Jain *(Partner)* Membership No: 59147

Place : Kolkata
Date : May 15, 2019

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Electrosteel Castings Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of **Electrosteel Castings Limited** ("herein referred to as the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures comprising the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss including the statement of Other Comprehensive Income, Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statement including a summary of significant accounting policies and other explanatory notes for the year ended on that date (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries, Associates & Joint Ventures referred to in the other matter paragraph section below , *except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph*, the aforesaid Consolidated Financial Statements give the information required by the Companies Act,2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015 , as amended (Ind As) and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Group, its associates and joint ventures as at 31st March, 2019, and their consolidated profit (financial performance including other comprehensive income) and its consolidated Cash Flows and the consolidated Statement of changes in equity for the year ended on that date.

Basis for Qualified Opinion

Attention is drawn to the following notes to the accompanying Consolidated Financial Statements:

a) Note no. 48 in respect to cancellation of coal block allotted to the Holding Company's in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.

b) Note No. 7A.2 in respect to Holding Company's investment amounting to Rs. 1653.76 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble Calcutta High Court. Further certain fixed assets of Elavur plant of the Company which are mortgaged in favour of a Lender of ESL , has assigned their rights to another entity which has been disputed by the holding company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

c) *Impacts with respect to (a) & (b) above are presently not ascertainable and as such cannot be commented upon by us.*

We conducted our audit of the Consolidated Ind As Financial Statement in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Information other than the Financial Statements and Auditor's Report thereon

The holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, for example Corporate Overview, Key Highlights, Board's Report, Report on Corporate Governance, Management Discussion & Analysis Report, but does not include the Consolidated Financial Statements and our auditors' report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the basis for qualified opinion section, we have determined the matters described below as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.

Consolidated Independent Auditors' Report *(Contd.)*

Key audit matters	How our audit addressed the key audit matter
Provision for taxation, litigations and disclosures of contingent liabilities	
The group is exposed to different laws, regulations and interpretations thereof. The group is also subject to number of significant claims and litigations. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty inherent in their nature. At March 31, 2019, the group had carried forward non- current income tax liabilities of 4242.05 Lakhs [Refer Note 27 to the consolidated financial statements]. Further, the holding company has disclosed significant pending legal cases with respect to Kodilabad mines [Refer Note 49(a) to the financial statements] to the consolidated financial statements] and other material contingent liabilities [Refer Note 55 to the financial statements]. We considered this to be a key audit matter, since the accounting and disclosure of claims and litigations is complex and judgmental, and the amounts involved are, or can be, material to the financial statements.	Our audit procedures included among others: I. Understanding and assessing the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities; II. Analyzed significant changes/update from previous periods and obtained a detailed understanding of such items. Assessed recent judgments passed by the court authorities affecting such change; III. Discussed the status of significant known actual and potential litigations with the management & noted that information placed before the board for such cases and IV. Assessment of the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the financial statements.
Recoverability of Government Grant	
The holding company has been entitled for various sales tax incentives under Industrial promotion scheme issued by the State Government. The holding company had complied with the conditions of such scheme and incentives were accounted for in the books in earlier years. A sum of Rs. 4680.58 Lakhs (grouped under other financial assets in note no. 18) is outstanding against said incentive as on 31st March 2019. We determined this to be a matter of significance to our audit due to the quantum of the government grant outstanding, compliance requirement of the scheme and also because of recovery pattern of the same.	I. Evaluating eligibility requirements of schemes and compliances by the holding company. II. Understanding and testing the design and operating effectiveness of controls as established by the management in recognition and assessment of the recoverability of the grant. III. Considering the relevant notifications to ascertain the basis for determination, completion of performance obligation and assessing the appropriateness of the management estimates for accounting of government grant and timing of recognition & past receipt of the grants.

Key audit matters	How our audit addressed the key audit matter
Inventory measurement	
The Holding company deals with various types of bulk material & Finished goods such as ductile & Iron pipes, pipe fittings, coal, coke & Iron Ore etc. The total inventory of such materials amounts to Rs. 39962.57 lakhs as on March 31, 2019. (Refer note no. 12). The measurement of these inventories involved certain estimations/ assumption and also involved volumetric measurements. Measurement of some of these inventories also involved consideration of handling loss, moisture loss/gain, spillage etc. and thus required assistance of technical expertise. We determined this to be a matter of significance to our audit due to quantum of the amount & estimation involved.	I. Obtained the understanding of the management with regards to internal financial controls relating of Inventory management. II. The holding company has also deployed an independent agency for verification of bulk Materials during which our team were present in case of to oversee those entire materials is being verified. We have reviewed the internal verification process by the management for certain inventory items. III. We have reviewed the report submitted by external agency and obtained reasons/explanation for such differences and also confirmed the adjustment made by the company in accordance with the policy confirmed by the board of directors.

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (hereinafter referred to as "the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, state of affairs (consolidated financial position), Profit or Loss (consolidated financial performance including other comprehensive income), changes in equity of the Group including its Associates and Joint Ventures and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards(Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group including its Associates and Joint Ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group including its Associates and Joint Ventures 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 consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Consolidated Independent Auditors' Report *(Contd.)*

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates & joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's including its Associates and Joint Ventures ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group including its Associates and Joint Ventures to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Holding Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance of the Holding Company, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

Consolidated Independent Auditors' Report *(Contd.)*

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements of eleven subsidiaries companies (including two step down subsidiaries) included in the Consolidated Financial Statements for the year ended 31st March, 2019, whose financial statements reflects total assets of Rs. 64,268.25 Lakhs as at 31st March, 2019 , total revenue of Rs. 94,503.66 Lakhs for the year ended on that date and net cash out flow for the year ended as on that date of Rs. 661.09 Lakhs, as considered in the consolidated financial results based on audited financial statements by other auditors. These 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 Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsections (3) of section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries, is based solely on the reports of the other auditors.

b) As stated in Note No. 61 of the consolidated financial statements, we did not audit the financial statements of Electrosteel Brasil Ltd. Tubos e Conexoes Duties, a subsidiary of the Holding Company whose financial statements reflect total assets of Rs. 0.49 Lakhs as at March 31, 2019, total revenue of Rs. 0.32 Lakhs and Net cash outflows amounting to Rs. 0.09 Lakhs for the year ended as on that date, as considered in the Consolidated Financial Statements. The aforesaid financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary 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.

c) The Consolidated Financial Statements also include the Group's share of net profit of Rs. 4,619.89 Lakhs and Other Comprehensive Income of Rs. (6.45) Lakhs for the year ended 31st March 2019, as considered in the Consolidated Financial Statements, in respect of Srikalahasthi Pipes Limited and Electrosteel Thermal Power Limited, Associates of the Holding Company, 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 Ind AS financial statement, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

d) As stated in Note No. 7.3 of the consolidated financial statements, the investment in North Dhadhu Mining Company Private Limited, a Joint Venture of the Holding Company, have been fully provided in the books. In view of this the results of North Dhadhu Mining Company Private Limited have not been incorporated in the books.

e) As stated in Note No. 7.2 of the consolidated Ind AS financial statement regarding non-availability of the financial statement of Domco Private Limited, a joint venture company due to which these have not been consolidated in these Consolidated Financial Statements as required in terms of Ind AS- 28, "Investments in Associates and Joint Ventures".

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 statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements of subsidiaries and Associates companies incorporated in India , referred in other matters paragraph above, we report that to the extent applicable, 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 of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statement ;

(d) *Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph,* In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act;

(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;

(f) On the basis of the written representations received from the

Consolidated Independent Auditors' Report *(Contd.)*

directors of the Holding Company as on March 31st , 2019, taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditors of its subsidiary companies & associate companies incorporated in India , none of the directors of group companies and its associates incorporated in India is disqualified as on March 31, 2019, 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 adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and its subsidiary company & associate companies incorporated in India. This does not include the report on two Joint venture Companies for the reasons stated in Note No. 7.2 & 7.3 of the Consolidated Financial Statements. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of these companies; and

(i) In respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(j) 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, as amended 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 and its associates have been disclosed in the consolidated Ind AS financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013- Refer Note no. 55(i) of the Consolidated Financial Statements;

ii. The Group and its Associates have 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 no. 46 of the Consolidated 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 and its associates incorporated in India.

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

(Gopal Jain)
Partner
Membership No. : 59147

Place : Kolkata
Date : 15 May 2019

Annexure "A" to the Independent Auditors' Report
on Consolidated Financial Statements

(Referred to in paragraph (h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Electrosteel Castings Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control

Annexure "A" to the Independent Auditors' Report
on Consolidated Financial Statements *(Contd.)*

stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company and two associates, which are companies incorporated in India, is based on the corresponding standalone reports of the auditors, as applicable, of such companies incorporated in India. In respect of two ventures as stated in Para (h) of Report on other legal and regulatory requirements, these companies could not be considered for the purpose of this report for the reasons stated in the note no. 7.2 & 7.3.

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

(Gopal Jain)
Partner
Membership No. : 59147

Place : Kolkata
Date : 15 May 2019

Consolidated Balance Sheet as at March 31, 2019

(Amount Rs. in lakhs)

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non–current assets			
(a) Property, Plant and Equipment	5	**16,29,33.01**	16,72,49.33
(b) Capital work-in-progress	50 and 51	**12,36,61.71**	12,01,77.60
(c) Goodwill on consolidation		**2,16.03**	2,16.03
(d) Other Intangible assets	6	**1,61.58**	3,01.82
(e) Investments in associates and joint ventures	7	**6,61,92.58**	6,35,75.34
(f) Financial Assets			
(i) Investments	7A	**21,35.24**	34.57
(ii) Trade receivables	8	**-**	1,28.40
(iii) Loans	9	**14,06.20**	22,22.64
(iv) Other financial assets	10	**35,00.00**	36,49.47
(g) Other non-current assets	11	**2,62.74**	4,22.42
		36,04,69.09	35,79,77.62
Current assets			
(a) Inventories	12	**7,54,21.41**	6,10,01.79
(b) Financial Assets			
(i) Investments	13	**75.81**	84.15
(ii) Trade receivables	14	**6,08,78.06**	5,24,92.06
(iii) Cash and cash equivalents	15	**75,01.16**	93,05.77
(iv) Bank balances other than (iii) above	16	**75,04.61**	1,35,53.06
(v) Loans	17	**37,76.90**	47,80.45
(vi) Other financial assets	18	**1,92,94.95**	1,72,77.33
(c) Other current assets	19	**72,18.99**	2,35,81.50
		18,16,71.89	18,20,76.11
Total Assets		**54,21,40.98**	54,00,53.73
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	20	**40,54.82**	35,69.55
(b) Other Equity	21	**25,97,97.79**	24,43,01.58
(c) Non-Controlling Interest	22	**65.87**	37.72
		26,39,18.48	24,79,08.85
Liabilities			
Non–current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	**8,38,24.97**	8,48,56.07
(b) Provisions	24	**19,19.27**	18,71.59
(c) Deferred tax liabilities (Net)	25	**2,49,07.09**	2,70,80.53
(d) Other non–current liabilities	26	**1,60,19.27**	1,80,23.39
(e) Non–current tax liabilities (Net)	27	**42,42.05**	42,19.00
		13,09,12.65	13,60,50.58
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	28	**7,70,30.51**	5,68,34.87
(ii) Trade payables	29		
(a) Total Outstanding dues of Micro enterprises and small enterprises: and		**38.24**	-
(b) Total Outstanding of creditor other than Micro enterprises and small enterprises		**3,08,94.15**	3,38,43.77
(iii) Other financial liabilities	30	**1,81,53.81**	3,12,04.29
(b) Other current liabilities	31	**1,87,62.95**	3,04,94.23
(c) Provisions	32	**20,51.51**	21,74.98
(d) Current Tax Liabilities (Net)	33	**3,78.68**	15,42.16
		14,73,09.85	15,60,94.30
Total Equity and Liabilities		**54,21,40.98**	54,00,53.73

Significant accounting policies and other accompanying notes (1 to 65) form an integral part of the consolidated financial statements.

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 15, 2019

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(Amount Rs. in lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations	34	**26,99,43.64**	22,68,36.22
Other Income	35	**56,90.94**	81,09.73
Total income		**27,56,34.58**	23,49,45.95
EXPENSES			
Cost of materials consumed	36	**11,05,88.28**	8,60,67.67
Purchases of Stock-in-Trade	37	**1,51,66.64**	1,67,83.27
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	38	**(52,09.81)**	(11,01.68)
Employee benefits expense	39	**2,50,93.45**	2,30,17.72
Finance costs	40	**2,34,64.52**	2,10,27.73
Depreciation and amortisation expense	41	**58,51.40**	62,40.11
Other expenses	42	**8,48,36.83**	7,64,58.46
Total expenses		**25,97,91.31**	22,84,93.28
Profit before exceptional items and tax		**1,58,43.27**	64,52.67
Exceptional Items	43	**(1,83,97.20)**	-
Profit before tax		**(25,53.93)**	64,52.67
Tax expense:	44		
Current tax		**5,37.80**	27,36.58
Deferred tax		**(23,37.65)**	(11,20.93)
Related to earlier year		**-**	(17,24.14)
Profit after tax		**(7,54.08)**	65,61.16
Add: Share of Profit/(Loss) in Associates and Joint Venture (Net)		**46,19.89**	58,57.54
Profit for the year		**38,65.81**	1,24,18.70
Profit for the year attributable to:			
- Owners of the Company		**38,17.06**	1,24,02.88
- Non-Controlling Interest		**48.75**	15.82
Other Comprehensive Income	45		
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		**1,88.18**	14.33
b) Equity instruments through other comprehensive income		**(6,23.72)**	(9.09)
(ii) Income tax related to items that will not be reclassified to profit or loss	44.2	**(70.75)**	(1.91)
B (i) Items that will be reclassified to profit or loss			
a) Foreign currency translation differences		**(30.33)**	(10,78.03)
b) Effective portion of cash flow hedge reserve		**2,67.44**	2,90.25
(ii) Income tax related to items that will be reclassified to profit or loss	44.2	**(93.46)**	(99.55)
C Share of Other Comprehensive Income in Associates and Joint Ventures (Net of tax)		**(6.45)**	9.34
Other Comprehensive Income for the year (net of tax)		**(3,69.09)**	(8,74.66)
Other Comprehensive Income for the year attributable to:			
- Owners of the Company		**(3,69.09)**	(8,75.22)
- Non-Controlling Interest		**-**	0.56
Total Comprehensive Income for the year		**34,96.72**	1,15,44.04
Total Comprehensive Income for the year attributable to:			
- Owners of the Company		**34,47.97**	1,15,27.66
- Non-Controlling Interest		**48.75**	16.38
Earnings per equity share of par value of Re. 1 each.	52		
(1) Basic (Rs.)		**0.99**	3.47
(2) Diluted (Rs.)		**0.99**	3.47

Significant accounting policies and other accompanying notes (1 to 65) form an integral part of the consolidated financial statements.

As per our report of even date

For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 15, 2019

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

Consolidated Statement of changes in Equity for the year ended March 31, 2019

A. Equity Share Capital	Amount (Rs. in lakhs)
Balance as at April 1, 2017	35,69.55
Changes during the year	-
Balance as at March 31, 2018	35,69.55
Changes during the year	4,85.27
Balance as at March 31 ,2019	**40,54.82**

Note: During the year, the company had issued 4,85,26,861 numbers of equity shares of Re. 1 each at a premium of Rs. 27.85 each (full figure) on preferential basis. The equity shares were allotted on August 20, 2018.

B. Other Equity

(Amount Rs. in lakhs)

As at March 31, 2019

Particulars	Reserve & Surplus						Items of Other Comprehensive Income				Total
	Capital Reserve	Securities Premium	General Reserve	Debenture Redemption Reserve	Statutory Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Effective portion of Cash Flow hedge	Exchange difference on translating the financial statements of foreign operations	Share of Associates/ Joint Venture	
Balance as at April 01, 2018	41,67.77	6,55,90.26	10,05,65.95	62,50.00	1,71.18	6,56,48.66	16.65	(1,73.98)	21,53.84	(88.75)	24,43,01.58
Total Comprehensive Income for the year	-	-	-	-	-	38,17.06	(6,28.72)	1,73.98	(30.33)	(6.45)	33,25.55
Re-measurement of defined benefit plans	-	-	-	-	-	1,22.42	-	-	-	-	1,22.42
Dividends including dividend distribution tax	-	-	-	-	-	(14,66.49)	-	-	-	-	(14,66.49)
Transfer to Retained Earnings from Debenture Redemption Reserve	-	-	-	(62,50.00)	-	62,50.00	-	-	-	-	-
Exchange difference on translating the financial statements of foreign operations to Statutory Reserve	-	-	-	-	(3.45)	-	-	-	3.45	-	-
Transfer from Retained Earnings to Statutory Reserve	-	-	-	-	1,28.36	(1,28.36)	-	-	-	-	-
On issuance of 4,85,26,861 equity shares during the year		1,35,14.73	-		-	-	-	-	-	-	1,35,14.73
Balance at March 31, 2019	**41,67.77**	**7,91,04.99**	**10,05,65.95**	**-**	**2,96.09**	**7,42,43.30**	**(6,12.07)**	**-**	**21,26.96**	**(95.20)**	**25,97,97.79**

Consolidated Statement of changes in Equity for the year ended March 31, 2019 (Contd.)

B. Other Equity *(Contd.)*

As at March 31, 2018

(Amount Rs. in lakhs)

Particulars	Reserve & Surplus						Items of Other Comprehensive Income				Total
	Capital Reserve	Securities Premium	General Reserve	Debenture Redemption Reserve	Statutory Reserve	Retained Earnings	Equity Instrument through other Comprehensive Income	Effective portion of Cash Flow hedge	Exchange difference on translating the financial statements of foreign operations	Share of Associates/ Joint Venture	
Balance as at April 01, 2017	43,17.77	6,55,90.26	10,05,65.95	62,50.00	1,37.48	5,52,48.11	23.69	(3,64.68)	32,51.55	(98.09)	23,49,22.04
Total Comprehensive Income for the year	-	-	-	-	-	1,24,02.88	(7.04)	1,90.70	(10,78.59)	9.34	1,15,17.29
Re-measurement of defined benefit plans	-	-	-	-	-	10.37	-	-	-	-	10.37
Dividends including dividend distribution tax	-	-	-	-	-	(21,48.12)	-	-	-	-	(21,48.12)
Transfer from Exchange difference on translating the financial statements of foreign operations to Statutory Reserve	-	-	-	-	19.12	-			(19.12)		-
Transfer from Retained Earnings to Statutory Reserve	-	-	-	-	14.58	(14.58)	-	-	-	-	-
State Capital Investment Subsidy	(1,50.00)	-	-		-	1,50.00	-	-	-	-	-
Balance at March 31, 2018	41,67.77	6,55,90.26	10,05,65.95	62,50.00	1,71.18	6,56,48.66	16.65	(1,73.98)	21,53.84	(88.75)	24,43,01.58

Refer Note no. 21 for nature and purpose of reserves

Significant accounting policies and other accompanying notes (1 to 65) form an integral part of the financial statements

As per our report of even date
For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 15, 2019

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

Consolidated Statement of Cash Flow for the year ended March 31, 2019

(Amount Rs. in lakhs)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) before Tax		**(25,53.93)**		64,52.67
Add : Depreciation and amortisation expenses	**58,51.40**		62,40.11	
Bad Debts	**1,56.46**		5,62.30	
Pipe mould written off	**-**		2,46.39	
Property, Plant and Equipment written off	**-**		92.08	
Assets / Advances written off	**6,90.33**		-	
Provision for Other	**-**		1,90.92	
Credit loss allowances on trade receivables/advances	**1,96.02**		-	
Advance/trade receivables written off	**2,11,21.70**		73.74	
Impairment in valuation of investments	**8,38.13**		-	
Profit/(Loss) on sale / discard of Fixed Assets (Net)	**2,77.58**		81.63	
Finance Costs	**2,34,64.52**	**5,25,96.14**	2,10,27.73	2,85,14.90
		5,00,42.21		3,49,67.57
Less : Interest Income	**16,32.86**		15,61.49	
Bad Debts realised	**1,37.00**		-	
Dividend Income from Investments	**2.71**		3.19	
Gain on redemption of financial liability at amortised cost	**8,03.25**		-	
Net gain/(loss) on derecognition of financial assets at amortised cost	**56.39**		28.48	
Fair Valuation of derivative instruments through Profit & Loss A/c	**3,39.54**		4,71.14	
Net gain /(loss) on Fair valuation of Investments	**27,16.17**		(6.36)	
Unrealised Foreign Exchange Fluctuation and translation	**26,81.10**		44,00.45	
Reversal of Impairment Allowances for doubtful debts	**60.61**		4,62.38	
Provisions / Liabilities no longer required written back	**8,74.38**	**93,04.01**	23,11.44	92,32.21
Operating Profit before Working Capital changes		**4,07,38.20**		2,57,35.36
Less : Increase/(Decrease) in Inventories	**1,44,19.62**		(19,51.70)	
Increase/(Decrease) in Trade Receivables	**1,34,71.56**		47,07.72	
Increase/(Decrease) in Loans and Advances,other financial and non-financial assets	**5,32.67**		(26,64.96)	
(Increase)/Decrease in Trade Payables, other financial and non-financial liabilities and provisions	**1,52,32.42**	**4,36,56.27**	(2,05,76.03)	(2,04,84.97)
Cash generated from Operations		**(29,18.07)**		4,62,20.33
Less : Direct Taxes paid (Net)		**16,98.52**		11,71.77
Net cash flow from Operating activities		**(46,16.59)**		4,50,48.56
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment, Intangible Assets and movements in Capital work in progress	**(57,85.43)**		(30,91.58)	
Realisation of Property, Plant and Equipment, Intangible Assets	**1,37.81**		1,40.70	
Interest received	**16,04.59**		14,89.92	
Dividend received	**11,60.77**		11,61.25	
Bank Balances Other than Cash and Cash Equivalents	**61,97.91**	**33,15.65**	(66,04.34)	(69,04.05)
Net Cash flow from Investing activities		**33,15.65**		(69,04.05)

Consolidated Statement of Cash Flow for the year ended March 31, 2019 (Contd.)

(Amount Rs. in lakhs)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of share capital	**1,40,00.00**		-	
Repayment of Minority Shares	**(20.60)**		-	
Proceeds/(Repayments) from borrowings (net)	**2,08,74.95**		(1,67,34.10)	
Proceeds / (Redemption / Repayment) of Debentures/Term Loan	**(97,11.11)**		(1,74,13.32)	
Interest and other borrowing cost paid	**(2,41,77.01)**		(2,09,18.93)	
Dividend paid	**(12,32.31)**		(20,16.81)	
Tax on Dividend	**(2,50.04)**	**(5,16.12)**	(3,63.34)	(5,74,46.50)
Net cash flow from Financing activities		**(5,16.12)**		(5,74,46.50)
Cash and Cash equivalents (A+B+C)		**(18,17.06)**		(1,93,01.99)
Cash and Cash equivalents as at 1st April		**93,05.77**		2,86,20.07
Add/(Less): Unrealised exchange gain/(loss) on Bank balances		**12.45**		(12.31)
Cash and Cash equivalents as at 31st March (Refer note no. 15)		**75,01.16**		93,05.77

Note :

(a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7, 'Statement of Cash Flows' as noted under Companies Act, 2013.

(b) Ind AS 7 Cash flow statements requires the entities to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet of liabilities arising from financing activities, to meet the disclosure requirements.

Particulars	As at 31.03.2018	Cash Flows	Non Cash Changes		As at 31.03.2019
			Foreign Exchange movement & Amortised cost	Current/Non-current classification	
Borrowings-Non Current	8,48,56.07	1,83,22.54	(40,95.22)	(1,52,58.42)	8,38,24.97
Other Financial Liabilities	2,80,33.65	(2,80,33.65)	-	1,52,58.42	1,52,58.42
Borrowings-Current	5,68,34.87	2,08,74.95	(6,79.31)	-	7,70,30.51

Significant accounting policies and other accompanying notes (1 to 65) form an integral part of the financial statements.

As per our report of even date
For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 15, 2019

For and on behalf of the Board of Directors

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(DIN : 00311883)

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2019

1. Group Information

Electrosteel Castings Limited ('the Company') is a public limited company in India having its corporate office in Kolkata in the State of West Bengal and registered office at Rajgangpur, District: Sundergarh in the State of Odisha and is engaged in the manufacture and supply of Ductile Iron (DI) Pipes, Ductile Iron Fittings (DIF) and Cast iron (CI) Pipes as its core business and produces and supplies Pig Iron in the process. It also produces Metallurgic Coke, Sinter and Power for captive consumption. The company caters to the needs of Water Infrastructure Development and its operation are spread over 35 countries across the Indian Sub-continent, South East Asia and the Middle East Europe, USA, South America and Africa by setting up subsidiaries and developing strong relations with customer abroad. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.The Board of Directors have approved the financial statements for the year ended March 31, 2019 and authorised for issue on May 15, 2019.

The Consolidated Financial Statements relates to Electrosteel Castings Limited (hereinafter referred to as 'the Company') and its subsidiaries (collectively hereinafter referred to as 'the Group') and its joint ventures and associates as detailed below:

Investment in Subsidiaries

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2019	% of holding as at March 31, 2018
Electrosteel Europe SA	Trading of DI Pipes and Fittings	France	**100%**	100%
Electrosteel Algerie SPA	Trading of DI Pipes and Fittings	Algeria	**100%**	100%
Electrosteel Castings (UK) Limited	Trading of DI Pipes and Fittings	United Kingdom	**100%**	100%
Electrosteel USA LLC	Trading of DI Pipes and Fittings	United States of America	**100%**	100%
WaterFab LLC (subsidiary of Electrosteel USA, LLC)	Trading of DI Pipes and Fittings	United States of America	**100%**	100%
Mahadev Vyapaar Pvt Ltd	Renting of Immovable Properties	India	**100%**	100%
Electrosteel Trading, S.A.	Trading of DI Pipes and Fittings	Spain	**100%**	100%
Electrosteel Castings Gulf FZE	Trading of DI Pipes and Fittings	United Arab Emirates	**100%**	100%
Electrosteel Doha for Trading LLC	Trading of DI Pipes and Fittings	Qatar	**97%**	97%
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	Trading of DI Pipes and Fittings	Brazil	**100%**	100%
Electrosteel Bahrain Holding SPC Company	Commercial and Other Activity	Bahrain	**100%**	100%
Electrosteel Bahrain Trading W.L.L (subsidiary of Electrosteel Bahrain Holding S.P.C Company)*	Trading of DI Pipes and Fittings	Bahrain	**100%**	100%

*includes 51% shares held through beneficial trust.

Investment in Associates

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2019	% of holding as at March 31, 2018
Srikalahasthi Pipes Limited	Manufacturing of DI Pipes	India	**41.33%**	48.54%
Electrosteel Steels Limited (ceased to be an associate during the year)	Manufacturing of Steel products & DI Pipes	India	**-**	45.23%
Electrosteel Thermal Power Limited	Generation of power	India	**30.00%**	30.00%

Investment in Joint Venture

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2019	% of holding as at March 31, 2018
North Dhadhu Mining Company Private Limited (refer note no. 7.3)	Mining and agglomeration of Hard Coal	India	**48.98%**	48.98%
Domco Private Limited (refer note no. 7.2)	Manufacturing of Coke Oven products	India	**50.00%**	50.00%

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

2A. Application of New Accounting Pronouncements

2A.1 The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below:

2A.2 The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company has adopted Ind AS 115 using the cumulative effect method whereby the effect of applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Impact on adoption of Ind AS 115 is not material.

The Company has adopted Appendix B to Ind AS 21, foreign currency transactions and advance consideration with effect from April 1, 2018 prospectively to all assets, expenses and income initially recognised on or after April 1, 2018.

2B. Recent Accounting Developments

Standards issued but not yet effective

2B.1 In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain IND AS. The Standard / amendments are applicable to the Company with effect from 1st April 2019.

2B.2 Ind AS 116: Leases:

The standard changes the recognition, measurement, presentation and disclosure of leases. It requires:

- Lessees to record all leases on the balance sheet with exemptions available for low value and short-term leases.
- At the commencement of a lease, a lessee will recognise lease liability and an asset representing the right to use the asset during the lease term (right-of-use asset).
- Lessees will subsequently reduce the lease liability when paid and recognise depreciation on the right-of-use asset.
- A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the right-of-use asset.
- The standard has no impact on the actual cash flows of a Company. However, operating lease payments currently expensed as operating cash outflows will instead be capitalised and presented as financing cash outflows in the statement of cash flows.The Company has reviewed all relevant contracts to identify leases and preparations for this standard are substantially complete. This review included:
  - an assessment about whether the contract depends on a specific asset,
  - whether the company obtains substantially all the economic benefits from the use of that asset; and
  - whether the Company has the right to direct the use of that asset.

From April 1, 2019 the Company will focus on ensuring that the revised process for identifying and accounting for leases is followed.

The company has completed an initial assessment of the potential impact on its consolidated financial statement and expects to have no significant impact on the consolidated financial statement.

2B.3 The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 23, Borrowing costs
3. Ind AS 28 – Investment in associates and joint ventures
4. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

5. Ind AS 109 – Financial instruments
6. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

3. Statement of compliance and Significant Accounting Policies

3.1 Statement of Compliance

These Consolidated financial statements, excepting as stated in note no 7A.2 and 48, have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Basis of Preparation

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortised costs at the end of each reporting period and certain class of Property, Plant and Equipment i.e. Freehold land and building and Investment in Associates which as on the date of transition have been fair valued to be considered as deemed cost.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Functional and Presentation Currency

Item included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the company operates (the" functional currency"). The consolidated financial statements are presented in Indian Rupee ("INR") which is the Group's functional and presentation currency. All financial information presented in the consolidated financial statements has been presented in INR and all values have been rounded off to the nearest two decimal lakhs except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

Consolidation Procedure

The Consolidated Financial Statements have been prepared in accordance with principles laid down in Ind AS 110 on "Consolidated Financial Statements", Ind AS 28 on "Accounting for Investments in Associates and Joint Ventures" as notified vide Companies (Accounting Standards) Rules, 2015 (as amended).

Subsidiaries

i. Subsidiaries are entities over which the Group has control and the Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its:

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(a) Power over the investee

(b) Exposure or rights to variable returns from its involvement with the investee

(c) The ability to use its power over the investee to affect its returns

Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of control.

ii. The Group combines the financial statements of the Company and its subsidiaries 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.

iii. The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.

iv. 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. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognised in the consolidated financial statements.

v. Non-controlling interest's share of net profit of 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 owners of the Company. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest.

vi. Non-controlling interest's share of net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

Non-controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's owners.

Non-controlling interests are initially measured at proportionate share on the date of acquisition of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the proportionate share of subsequent changes in equity.

Investment in Associates and Joint Ventures

Investments in Associates and Joint Ventures are accounted in accordance with Ind AS - 28 on "Accounting for Investments in Associates and Joint Venture", 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 Associates and Joint Ventures and the share of net assets at the time of acquisition of such shares is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be. Under the equity method, the investments are recognised at cost and thereafter the carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

When the Group's share of losses in an equity accounted investments equals or exceeds its interest in the entity, the Group does not recognises further losses, unless it has incurred obligations or made payment on behalf of the other entity. The carrying amount of equity accounted investments are tested for impairment in accordance with the policy of the group.

Business Combination and Goodwill

The Group except for combination of group entities which are under common control applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

In case of combination of entities under control, business combination are accounted for under pooling of interest method whereby the assets and liabilities are combined at the carrying amount and no adjustments are made to reflect their fair values or recognise any new assets or liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the combination date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3.2 Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes (net of recoverable taxes),inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. For major projects, interest and other costs incurred on / related to borrowings to finance such projects or fixed assets during construction period and related pre-operative expenses are capitalised. Expenditure on Blast Furnace/Coke Oven Battery Relining is capitalised.

Parts of an item of PPE having different useful lives and material value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss when incurred.

Capital Work-in-progress includes preoperative and development expenses, equipments to be installed, construction and erection materials, advances etc. Such items are classified to the appropriate categories of PPE when completed and ready for intended use.

The Group had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

Depreciation and Amortisation

Depreciation on PPE except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method in respect of Plant and Equipments and Office Equipments 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 Equipments and Office Equipments at Elavur Plant. Certain Plant and Equipment's have been considered Continuous Process Plant on the basis of technical assessment. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the mother plant / fixed assets.

Leasehold Land held under finance lease including leasehold land are depreciated over their expected lease terms. No depreciation is charged on Freehold land. Assets costing rupees five thousand or less are being depreciated fully in the year of addition/acquisition.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components. Pipe Moulds of specified sizes are depreciated over a period of 3 years.

Railway siding constructed on Government land is amortised over the period of 10 years in terms of agreement.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the useful lives as estimated for other assets considered for depreciation are as follows:

Category	Useful life
Buildings	
Non–Factory Building (RCC Frame Structure)	60 Years
Factory Building	30 Years
Roads	
Carpeted Roads–RCC	10 Years
Carpeted Roads–other than RCC	5 Years
Non–Carpeted Roads	3 Years
Plant and machinery	
Other than Continuous Process Plant	15 Years
Sinter Plant, Blast Furnace, Coke Oven	20 Years
Coke Oven Battery Relining	5 Years
Blast Furnance Relining	2 Years
Power Plant	40 Years
Computer equipment	
Servers and networks	6 Years
Others	3 Years
Furniture and fixtures, Electrical Installation and Laboratory Equipment's	10 Years
Office equipment	5 Years
Vehicles	
Motor cycles, scooters and other mopeds	10 Years
Others	8 Years

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.

Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date.

3.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes (net of recoverable taxes) less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Accordingly, right to use wagons acquired under "Wagon Investment Scheme", cost of computer software packages (ERP and others) and mining rights are allocated / amortised over a period of 10 years, 5 years and available period of mining lease respectively.

Research cost are not capitalised and the related expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

Depreciation methods, useful lives and residual values and are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Derecognition of Tangible and Intangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Group. All other leases are classified as operating leases.

Finance leases are capitalised at the inception of the lease at lower of its fair value and the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Any initial direct costs of the lessee are added to the amount recognised as an asset. Each lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the outstanding amount of the liabilities.

Payments made under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless the lease arrangements are structured to increase in line with expected general inflation or another systematic basis which is more representative of the time pattern of the benefits availed Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognised in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and 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.

Impairment losses recognised earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognised in the Statement of Profit and Loss. In such cases, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

3.7 Financial Assets and Financial Liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss

The financial assets and financial liabilities are classified as current, if they are expected to be realised or settled within operating cycle of the Group or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortised Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(ii) Financial Assets and Financial Liabilities measured at amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortised cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

(v) Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit and loss. These are recognised at fair value and changes therein are recognised in the statement of profit and loss.

(vi) Equity Instruments measured at FVTOCI and FVTPL

Equity instruments which are, held for trading are classified as at FVTPL are measured at Fair Value as per Ind AS 109. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

(vii) Derivative and Hedge Accounting

The Group enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorised as a financial asset, at fair value through profit or loss. Transaction costs attributable are also recognised in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognised in the Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of profit and loss.

(viii) Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the group measures the loss allowance at an amount equal to lifetime expected credit losses.

(ix) Derecognition of financial instruments

The Group derecognises a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognised in statement of profit and loss.

On derecognition of assets measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

(x) Financial Guarantee Contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognised less cumulative amortisation.

3.8 Inventories

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.

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.

Cost in respect of process stock represents, cost incurred up to the stage of completion.

Cost in respect of work-in-progress represents cost of materials remaining uncertified / incomplete under the Turnkey Contracts undertaken by the Group.

Net Realisable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

3.9 Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognised in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non monetary items which are carried in terms of historical cost denominated in foreign currency, are reported using the exchange rate as at the date of transaction.

The Group had opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard-11 notified by Government of India on 31st March, 2009 (as amended on 29th December 2011), which will be continued in accordance with Ind-AS 101 for all pre-existing long term foreign currency monetary items as at 31st March 2016. Accordingly, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of fixed assets, are adjusted in the carrying amount of such assets.

3.10 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognised and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the consolidated financial statements by way of notes to accounts when an inflow of economic benefits is probable.

3.12 Employee Benefits

Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period.

Other Long Term Employee Benefits

The liabilities for leave encashment that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognised in statement of profit and loss.

Post Employment Benefits

The Group operates the following post employment schemes:

- Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognised for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognised in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

- Defined Contribution Plan

Defined contribution plans such as provident fund etc are charged to the statement of profit and loss as and when incurred. Contribution to Superannuation fund, a defined contribution plan is made in accordance with the Group's policy and is recognised in the Statement of profit and loss.

3.13 Revenue

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognized for expected returns in relation to sales made corresponding assets are recognized for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

3.14 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalised to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

3.15 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

3.16 Government Grants

Government grants are recognised on systematic basis when there is reasonable certainty of realisation of the same. Revenue grants including subsidy/rebates are credited to Statement of Profit and Loss Account under "Other Income" or deducted from the related expenses for the period to which these are related. Grants which are meant for purchase, construction or otherwise acquire non current assets are recognised as Deferred Income and disclosed under Non Current Liabilities and transferred to Statement of Profit and Loss on a systematic basis over the useful life of the respective asset. Grants relating to non-depreciable assets is transferred to Statement of Profit and Loss over the periods that bear the cost of meeting the obligations related to such grants.

3.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

3.18 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Parent Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Group has identified one reportable segment "Pipes and all other activities revolve around the main business" based on the information reviewed by the CODM.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the consolidated financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialised and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the consolidated financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 Depreciation / amortisation and impairment on property, plant and equipment / intangible assets.

Property, plant and equipment and intangible assets are depreciated/ amortised on straight-line /written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Group accounting policy, taking into account the estimated residual value, wherever applicable.

The Group reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Asset's recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortisation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.2 Impairment on Investments in Associates and Joint Ventures

The carrying amount of Investments in Associates and Joint Ventures computed in accordance with equity method has been tested for impairment at year end based on the market value where the shares are quoted, P/E ratio of similar sector company along with premium/ discount for nature of holding and Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

4.3 Arrangements containing leases and classification of leases

The Group enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service/ hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

4.4 Claims and Compensation

Claims including insurance claims are accounted for on determination of certainity of realisation thereof. Compensation receivable against acquisition of coal mine (Refer Note No. 48) pending final acceptance or settlement thereof even though has not been given effect to, as amount expected to be realised in this respect has been considered to be covering the carrying amount of the relevant assets and other recoverables.

4.5 Impairment allowances on trade receivables

The Group evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Group bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.6 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

Deferred Tax for all taxable temporary differences have been given effect to in the consolidated financial statements. In case of Associates and Joint Venture, the Group being in a position to control the timing of reversal of temporary differences and considering the past trend there being no possibility of such reversal in near future, adjustment for deferred taxation against share of profit attributable to the Group has not been given effect in the consolidated financial statements.

4.7 Defined benefit obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.8 Provisions and Contingencies

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

4.9 Uniform Accounting Policies

The audited/unaudited financial statements of foreign subsidiaries have been prepared in accordance with Generally Accepted Accounting Principles of its Country of Incorporation or International Financial Reporting Standards. Impact on account of differences if any, in accounting policies of the company and those followed by its subsidiaries are not material to the Group.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

5. Property, Plant and Equipment :

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Railway Siding	Live–stock	Total
Gross Block										
As at April 1, 2018	**12,22,61.73**	**21,09.25**	**1,38,62.12**	**4,12,13.28**	**4,44.17**	**10,47.73**	**5,03.67**	**33,63.20**	**1.11**	**18,48,06.26**
Additions	-	-	1,45.75	13,51.53	58.49	2,24.50	1,38.25	-	-	19,18.52
Disposal	(68.55)	-	-	(10,54.24)	(12.60)	(17.05)	(5.46)	-	-	(11,57.90)
Other Adjustments	(72.32)	11.33	(65.30)	0.94	(6.61)	(6.38)	(8.74)	-	-	(1,47.08)
As at March 31, 2019	**12,21,20.86**	**21,20.58**	**1,39,42.57**	**4,15,11.51**	**4,83.45**	**12,48.80**	**6,27.72**	**33,63.20**	**1.11**	**18,54,19.80**
Accumulated Depreciation										
As at April 1, 2018	**-**	**1,12.28**	**38,51.28**	**1,11,86.87**	**2,09.58**	**5,45.96**	**1,86.61**	**14,64.35**	**-**	**1,75,56.93**
Charge for the year	-	42.64	9,90.55	38,73.01	63.57	1,66.06	69.43	4,82.83	-	56,88.09
Disposal	-	-	-	(7,17.32)	(12.59)	(12.22)	(0.38)	-	-	(7,42.51)
Other Adjustments	-	1.47	(6.01)	(1.47)	(3.50)	(3.10)	(3.11)	-	-	(15.72)
As at March 31, 2019	**-**	**1,56.39**	**48,35.82**	**1,43,41.09**	**2,57.06**	**6,96.70**	**2,52.55**	**19,47.18**	**-**	**2,24,86.79**
Net carrying amount										
As at March 31, 2019	**12,21,20.86**	**19,64.19**	**91,06.75**	**2,71,70.42**	**2,26.39**	**5,52.10**	**3,75.17**	**14,16.02**	**1.11**	**16,29,33.01**

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Railway Siding	Live–stock	Total
Gross Block										
As at April 1, 2017	12,18,98.67	21,14.41	1,28,26.51	4,01,56.00	3,39.87	9,12.78	4,08.83	33,63.20	1.11	18,20,21.38
Additions	-	-	8,20.01	16,52.56	82.95	1,24.92	80.89	-	-	27,61.33
Disposal	(98.75)	(4.29)	(1.87)	(8,26.00)	(0.01)	(10.59)	-	-	-	(9,41.51)
Other Adjustments	4,61.81	(0.87)	2,17.47	2,30.72	21.36	20.62	13.95	-	-	9,65.06
As at March 31, 2018	12,22,61.73	21,09.25	1,38,62.12	4,12,13.28	4,44.17	10,47.73	5,03.67	33,63.20	1.11	18,48,06.26
Accumulated Depreciation										
As at April 1, 2017	-	71.40	27,62.87	76,86.38	1,34.11	3,75.39	1,21.29	9,79.33	-	1,21,30.77
Charge for the year	-	41.20	10,77.92	40,05.64	63.46	1,72.77	58.61	4,85.02	-	59,04.62
Disposal	-	(0.39)	(0.94)	(4,64.69)	-	(6.77)	-	-	-	(4,72.79)
Other Adjustments	-	0.07	11.43	(40.46)	12.01	4.57	6.71	-	-	(5.67)
As at March 31, 2018	-	1,12.28	38,51.28	1,11,86.87	2,09.58	5,45.96	1,86.61	14,64.35	-	1,75,56.93
Net carrying amount										
As at March 31, 2018	12,22,61.73	19,96.97	1,00,10.84	3,00,26.41	2,34.59	5,01.77	3,17.06	18,98.85	1.11	16,72,49.33

Notes :

5.1 Plant and Equipments of Rs. 4,09.73 lakhs (previous year Rs. 4,13.68 lakhs) being contribution for laying the Power line,the ownership of which does not vest with company.

5.2 Railway Siding represents the cost of construction of the assets for company's use over the specified period as per the terms of agreement.

5.3 Freehold land includes Rs. 3,35.81 lakhs (previous year Rs.3,35.81 lakhs) in respect of which the execution of conveyance deeds is pending. Freehold land also includes Rs. 2,75.27 lakhs (previous year Rs. 2,75.27 lakhs) towards contribution in relation of Joint Venture Company North Dhadhu Coal Block.

5.4 Other adjustments includes Nil (previous year Rs. 66.68 lakhs) being interest capitalised during the year and Rs. (1,47.08) lakhs (previous year Rs. 8,98.38 lakhs) representing foreign exchange fluctuation.

5.5 Land with factory buildings of Rs. 2,95,71.05 lakhs (previous year Rs. 2,95,93.21 lakhs) at Elavur plant of the Company are mortgaged in the favour of lender to Electrosteel Steel Limited, an erstwhile associate of the of the company. (Also refer note no.7A.2)

5.6 Refer note no. 23 to financial statements in respect of charge created against borrowings.

5.7 Refer note no. 48 dealing with coal mine assets and note no. 49 (a) in respect of iron ore and manganese ore mine.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

6. Other Intangible Assets

Particulars	Computer Softwares	Mining Rights	Right to use under Wagon Investment Scheme	Total
Gross Block				
As at April 1, 2018	4,52.18	8.13	8,65.14	13,25.45
Additions	25.12	-	-	25.12
Disposal	(2.82)	-	-	(2.82)
Other Adjustments	(5.00)	-	-	(5.00)
As at March 31, 2019	**4,69.48**	**8.13**	**8,65.14**	**13,42.75**
Accumulated Depreciation				
As at April 1, 2018	2,59.35	4.59	7,59.69	10,23.63
Charge for the year	56.33	1.53	1,05.45	1,63.31
Disposal	(2.82)	-	-	(2.82)
Other Adjustments	(2.95)	-	-	(2.95)
As at March 31, 2019	**3,09.91**	**6.12**	**8,65.14**	**11,81.17**
Net carrying amount				
As at March 31, 2019	**1,59.57**	**2.01**	**-**	**1,61.58**

Particulars	Computers Softwares	Mining Rights	Right to use under Wagon Investment Scheme	Total
Gross Block				
As at April 1, 2017	3,79.19	8.13	8,65.14	12,52.46
Additions	62.47	-	-	62.47
Disposal	0.00	-	-	-
Other Adjustments	10.52	-	-	10.52
As at March 31, 2018	4,52.18	8.13	8,65.14	13,25.45
Accumulated Depreciation				
As at April 1, 2017	1,71.32	3.06	5,06.46	6,80.84
Charge for the year	80.73	1.53	2,53.23	3,35.49
Disposal	-	-	-	-
Other Adjustments	7.30	-	-	7.30
As at March 31, 2018	2,59.35	4.59	7,59.69	10,23.63
Net carrying amount				
As at March 31, 2018	1,92.83	3.54	1,05.45	3,01.82

Notes :

6.1 Right to use Wagon represents cost incurred in connection with wagon procured under "Wagon investment Scheme" and handed over to railway authorities for their normal operations against priority over availability of the wagons for transportation as and when required.

6.2 Other adjustments includes Rs. (5.00) lakhs (previous year Rs. 10.52 lakhs) representing foreign exchange fluctuation.

6.3 Refer note no. 23 to financial statements in respect of charge created against borrowings.

6.4 Refer note no. 48 dealing with coal mine assets.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

7. Investment in Associates and Joint Ventures

(Fully paid up except otherwise stated)

(Amount Rs. in lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Holding (Nos.)	Details	Value	Holding (Nos.)	Details	Value
Investments in Equity Instruments						
Quoted						
Associates (Carrying amount determined using equity method of accounting)						
Srikalahasthi Pipes Limited (Face value of Rs.10/- each) (Refer note no. 7.1)	**19301218**	**6,27,36.31**	**6,61,91.76**	19301218	5,80,28.46	6,27,36.31
[Cost of acquistion includes goodwill of Rs 44,91.37 lakhs, previous year Rs 44,91.37 lakhs]						
Add : Group share of Profit/(Loss) for the year (Net)		**46,19.97**			58,56.59	
Add : Other Comprehensive Income		**(6.45)**			9.34	
Less : Dividend received during the year		**11,58.07**			11,58.08	
Electrosteel Steels Ltd. (Face value Rs. 10/-each) (ceased to be associate w.e.f. 06.06.2018)	**-**	**-**	**-**	1089800000	-	-
[Cost of acquisition includes goodwill of Nil, previous year Rs. 70,29.90 lakhs]						
Add : Group share of Profit/(Loss) for the year (Net)		**-**			-	
			6,61,91.76			6,27,36.31
Unquoted						
Associates (Carrying amount determined using equity method of accounting)						
Electrosteel Thermal Power Ltd. (Face value of Rs.10/- each) [Cost of acquisition includes goodwill of Rs. 0.70 lakhs (previous year Rs 0.70 lakhs)	**15000**	**0.90**	**0.82**	15000	0.97	0.90
Add : Group share of Profit/(Loss) for the year (Net)		**(0.08)**			(0.07)	
Joint Venture (Carrying amount determined using equity method of accounting)						
Domco Private Limited (Face value of Rs. 100/- each)	**30000**	**30.00**	**-**	30000	30.00	-
Less: Impairment in value of Investment (refer note no. 7.2)		**(30.00)**			(30.00)	
North Dhadhu Mining Company Pvt Ltd (Face value of Rs.10/- each) (refer note no. 7.3)	**8228053**	**8,38.13**	**-**	8228053	8,37.11	8,38.13
Less: Impairment in value of Investment		**(8,38.13)**				
Add : Group share of Profit/(Loss) for the year (Net)		**-**			1.02	
			0.82			8,39.03
Total - Investment In Associates And Joint Ventures			**6,61,92.58**			6,35,75.34
Aggregate amount of Quoted Investments			**6,61,91.76**			6,27,36.31
Aggregate amount of Market value of Quoted Investments			**4,41,22.58**			8,82,95.47
Aggregate amount of Unquoted Investments			**0.82**			8,39.03
Aggregate amount of Impairment in value of Investments			**8,68.13**			30.00

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

7.1 7004903 Equity shares (previous year Nil) of Rs. 10/- each fully paid up equity shares of Srikalahasthi Pipes Limited have been pledged in favour of Yes Bank Limited for securing term loan given to the Company. (Refer note no. 23)

7.2 The Company has investment of Rs. 30.00 lakhs (previous year Rs. 30.00 lakhs) in equity shares and given advance of Rs. 7,00.00 lakhs (previous year Rs. 7,00.00 lakhs) against equity to 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) in terms of the Shareholder's Agreement dated March 27, 2004. The Venturers had filed a petition before the Company Law Board, Principal Bench, New Delhi (CLB) against the Company against operation and mismanagement of the company inter alia on various matters including for forfeiture of the Company's investment in equity shares of the DPL. The matter was later transferred to the Company Law Board, Kolkata Bench and is now being taken up by the National Company Law Tribunal, Kolkata Bench. The Company had also inter alia filed an arbitration proceeding under Arbitration & Conciliation Act, 1996 against recovery of the said amount against which the ventures also filed their counter claims on the company. The matter is sub judice before the NCLT.

Pending final outcome of the above matter, the amounts in equity shares and advance have been fully provided for in the financial statements. The other venturers since not providing the financial statements of DPL, and thereby necessary disclosures could not be provided in these financial statements.

7.3 (a) The North Dhadhu Coal Block located in the State of Jharkhand was allocated to the Company, Adhunik Alloys & Power Limited (AAP), Jharkhand Ispat Pvt. Ltd. (JPL) and Pawanjay Steel & Power Limited (PSPL) (collectively referred to as venturers) for working through North Dhadhu Mining Company Private Limited (NDMCPL), a joint venture company. The Company has joint control (proportion of ownership interest of the Company being 48.98 %) along with other venturers represented by investment of Rs. 8,22.81 lakhs in equity shares of NDMCPL.

(b) 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, 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.56,03.00 lakhs issued for the same. The Company's share in the Bank Guarantee is Rs.27,45.00 lakhs. On a writ petition filed by the Company for quashing the order, stay in the matter together with encashment of bank guarantee has been granted by the Hon'ble High Court of Jharkhand. The company has also submitted its claim for compensation which is awaiting acceptance. In the view of the management that the compensation to be received in terms of ordinance is expected to cover the cost incurred by the Joint venture company. However as an abundant precaution, impairment in the value of the investment amounting to Rs. 8,22.81 lakhs in Joint venture has been provided during the year. In view of stay order by High Court, no provision in the share of bank guarantee has been considered necessary. In view of the provision made during the year, the performance of the joint venture company has not been consolidated during the year.

7.4 Particulars of investments as required in terms of section 186(4) of the Companies Act, 2013 have been disclosed under note 7,7A & 13.

7.5 Summarised financial information for Associates and Joint Ventures

The tables below provide summarised financial information of those associates and joint ventures that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures.

a) Associates (Amount Rs. in lakhs)

Summarised financial information	Srikalahasthi Pipes Limited		# Electrosteel Steels Limited		Electrosteel Thermal Power Limited	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
1) Balance Sheet						
(i) Current Assets	**12,88,96.55**	10,19,82.59	**-**	18,63,14.87	**0.72**	0.83
(ii) Non–current assets	**8,95,97.88**	8,75,82.09	**-**	112,54,16.80	**-**	-
(iii) Current liabilities	**6,05,73.52**	5,39,15.34	**-**	90,73,44.48	**0.28**	0.14
(iv) Non–current liabilities	**3,16,81.87**	1,77,70.59	**-**	40,43,87.19	**-**	-

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
2) Statement of Profit and Loss						
(i) Revenue	**16,09,45.07**	16,31,36.93	-	35,32,83.37	-	-
(ii) Profit or loss from continuing operations	**1,17,53.73**	1,47,40.15	-	(11,01,78.69)	**(0.26)**	(0.23)
(iii) Other comprehensive income	**(15.61)**	22.59	-	(92.24)	-	-
(iv) Total comprehensive income	**1,17,38.12**	1,47,62.74	-	(11,02,70.93)	**(0.26)**	(0.23)
(v) Dividend received during the year (Parent's share)	**11,58.07**	11,58.07	-	-	-	-

ceased to be associate during the year.

b) Joint Venture

Summarised financial information	## North Dhadhu Mining Company Private Limited	
	As at March 31, 2019	As at March 31, 2018
1) Balance Sheet		
(i) Non-current assets		
Property, Plant and Equipment and Capital Work in progress	-	14,57.40
Financial Assets- Loans	-	12.61
(ii) Current Financial Assets	-	
Investments	-	2,04.62
Cash and cash equivalents	-	1.04
Other financial assets	-	-
(iii) Other current assets	-	39.30
(iv) Current liabilities		
Other current liabilities	-	1.97
Provisions	-	1.81

	For the year ended March 31, 2019	For the year ended March 31, 2018
2) Statement of Profit and Loss		
(i) Other Income	-	11.61
(ii) Depreciation & Amortisation	-	0.09
(iii) Profit or loss before tax	-	3.90
(iv) Tax Expense	-	0.74
(v) Profit or loss after tax	-	3.15
(vi) Other comprehensive income	-	-
(vii) Total comprehensive income	-	3.15
(viii) Dividend received during the year (Parent's share)	-	-

Not consolidated during the year (refer note no. 7.3)

Also refer note no. 7.2 relating to non availability of financial statement of Domco Private Limited, Joint Venture and accordingly disclosures as required under Ind AS 112 have not been made.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

7.6 Reconciliation of the above summarised information to the carrying amount of the interest in Associates and Joint Ventures recognised in the consolidated financial statement.

a) Associates

Particulars	**Srikalahasthi Pipes Limited**		**Electrosteel Steels Limited**		**Electrosteel Thermal Power Limited**	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Closing Net Assets	**12,62,39.03**	11,78,78.75	**-**	(16,70,55.54)	**0.44**	0.69
Proportion of the Parent's ownership interest in J.V / associates (%)	**41.33%**	41.33%	**-**	45.23%	**30.00%**	30.00%
Proportion of the Parent's ownership interest in J.V / associates (INR)	**5,21,76.67**	4,87,21.22	**-**	(7,55,66.36)	**0.12**	0.20
Add/Less: Adjustments						
- Effect of fair value of investment on the date of transition as deemed cost	**1,40,48.08**	1,40,48.08	**-**	(5,04,84.77)	**-**	-
- Goodwill on equity accounting	**44,91.37**	44,91.37	**-**	7,029.90	**0.70**	0.70
- Effect on dilution of shareholding pattern	**(45,24.36)**	(45,24.36)			**-**	-
Net Assets as per Consolidated Financial Statement (to the extent of carrying value of investment)	**6,61,91.76**	6,27,36.31	**-**	-	**0.82**	0.90

Note : No information has been given in respect of Electrosteel Steels Limited(ESL) in view of cessetion of associate relationship during this year.

b) Joint Venture

Particulars	**North Dhadhu Mining Company Private Limited**	
	As at March 31, 2019	As at March 31, 2018
Closing Net Assets	**-**	17,11.19
Proportion of the Parent's ownership interest in Joint Venture (%)	**-**	48.98%
Proportion of the Parent's ownership interest in Joint Venture (INR)	**-**	8,38.13
Add/Less: Adjustments		
- Goodwill arising on Equity Accounting	**-**	-
- Others	**-**	-
Net Assets as per Consolidated Financial statement (to the extent of carrying value of investment)	**-**	8,38.13

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

7A. Non–Current Investments

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Holding (Nos.)	Details	Value	Holding (Nos.)	Details	Value
Investments in Equity Instruments						
Investment designated at Fair Value through Other Comprehensive Income						
Quoted						
R.G. Ispat Limited (Face value of Rs. 10/- each)*	**50**		**0.00**	50		0.00
Saint Gobain-PAM (Face value of Euro 4/- each)	**14**		**0.35**	14		0.48
Von Roll (Face value of Euro 0.071 each)	**10**		**0.01**	10		0.01
			0.36			0.49
Unquoted						
Rainbow Steels Limited (Face value of Rs.10/- each)	**100**		**0.01**	100		0.01
MSTC Limited. (Face value of Rs. 10/- each)	**16000**		**25.58**	1000		2.93
Singardo International Pte Ltd. (Face value of SGD 1 each)	**25000**		**19.69**	25000		19.10
N Marshall Hi-tech Engineers Pvt. Ltd. (Face value of Rs.10/- each)	**50000**		**10.26**	50000		12.04
Electrosteel Steels Ltd. (Face value Rs. 10/-each) (Refer Note no. 7A.1 and 7A.2)	**21796000**		**20,79.34**			-
			21,34.88			34.08
			21,35.24			34.57
Investments in Preference Shares						
Others						
Mukand Limited (0.01% Cumulative Redeemable Preference Shares face value of Rs. 10/-each)*	**16**		**0.00**	16		0.00
			0.00			0.00
Total - Non Current Investments			**21,35.24**			34.57
Aggregate amount of Quoted Investments			**0.36**			0.49
Aggregate amount of Market value of Quoted Investments			**0.36**			0.49
Aggregate amount of Unquoted Investments			**21,34.88**			34.08
Aggregate amount of Impairment in value of Investments			**-**			-

* Figures below rounding off limit

7A.1 17334999 Equity shares (Previous year 866750000) of Rs. 10/- each fully paid up of Electrosteel Steels Limited (ESL) have been pledged in favour of lenders of Electrosteel Steels Limited for securing financial assistance to ESL.

7A.2 In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by Electrosteel Steels Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the Company during the year. To comply with the requirements of Ind AS 109 "Financial Instruments", the Company had fair valued the investment in ESL and a sum of Rs. 27,24.50 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss.The Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

In terms of the approved resolution plan, advances and trade receivable amounting to Rs. 2,11,21.70 lakhs receivable from ESL was written off during the year and shown as exceptional item in the statement of Profit and Loss.

During the year, shares of ESL were delisted and Vedanta Star Limited (holding company of ESL) has made an exit offer to the shareholders of ESL at a price of Rs. 9.54 per share which is open till December 20, 2019. In view of non availability of fair value of shares of ESL due to delisting, the Company has considered the exit price as the basis of valuation of Investment in ESL.

Further 17334999 equity shares of Rs. 10 each in ESL amounting to Rs. 16,53.76 lakhs as on March 31, 2019 are pledged with the lenders of ESL. The consortium of the lenders of ESL had issued notice for the invocation of pledged shares which has been disputed by the Company and on the plea filed by the Company, the Hon'ble High Court of Calcutta has set aside the notices issued by the lenders. The Company's plea for release of the pledge is pending before the Hon'ble Court.

One of the lenders of ESL in whose favour the Company had mortgaged certain Land & Building amounting to Rs. 2,95,71.05 lakhs of the Company situated at Elavur, Tamilnadu, has assigned its rights in favour of another entity which has been disputed by the company. Pending settlement of the matter, these assets have been carried forward at their carrying book value.

7A.3 The Group has made an irrevocable decision to consider investment in equity instruments not held for trading to be recognised at FVTOCI.

8. Trade Receivables (Amount Rs. in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Long Term Trade Receivables	–	1,28.40
	–	1,28.40

9. Loans

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good			
Security Deposits	9.1 and 17.1	**13,86.56**	22,04.12
Loans to related parties	9.2	**19.64**	18.52
		14,06.20	22,22.64

9.1 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, Rs 2,00.18 lakhs (previous year Rs. 2,00.18 lakhs) with related parties. Also include Rs. 1,95.85 lakhs (previous year Rs.9,99.35 lakhs) lying with customer in terms of agreement/order towards supplies of goods.

9.2 Represents amount given as interest free loan to a shareholder.

10. Other Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposit with Banks (having maturity of more than 1 year from Balance sheet date)	**35,00.00**	36,49.47
	35,00.00	36,49.47

11. Other Non–Current Assets

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Capital Advances	11.1	**1,17.81**	1,85.12
Prepaid expenses		**1,43.96**	2,35.37
Others	11.2	**0.97**	1.93
		2,62.74	4,22.42

11.1 Capital advances includes Nil (previous year Rs.5.27 lakhs) paid to related party (Refer note no. 56).

11.2 Includes loans and advance to employees amounting to Rs. 0.97 lakhs (previous year Rs.1.93 lakhs)

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

12. Inventories (At lower of Cost or Net Realisable Value)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	1,69,05.86	1,49,18.44
Raw materials in transit	1,07,41.33	38,75.84
Process stock	51,63.52	85,98.37
Finished goods	3,16,25.54	2,48,03.02
Finished goods in transit	53,47.90	33,96.89
Stock-in-trade (in respect of goods acquired for trading)	29.95	1,58.82
Stores and spares	55,93.63	51,30.63
Stores and spares in transit	13.68	119.79
	7,54,21.41	6,10,01.79

12.1. Refer note no. 28.1 to Consolidated Financial Statements in respect of charge created against borrowings.

13. Current Investments

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Holding (Nos.)	Value	Holding (Nos.)	Value
Investment measured at fair value through Profit and Loss				
Investment in Equity Instruments				
Equity Shares (Quoted)				
MOIL Limited (Face value of Rs. 10/- each)	7588	12.04	7588	14.85
Reliance Industries Ltd (Face value of Rs. 10/- each)	1000	13.63	1000	8.83
Andhra Bank (Face value of Rs. 10/- each)	5000	1.40	5000	2.08
3I Infotech Ltd. (Face value of Rs. 10/- each)	60000	2.31	60000	3.03
BGR Energy Systems Ltd. (Face value of Rs. 10/- each)	1500	0.94	1500	1.53
Bharat Heavy Electricals Ltd. (Face value of Rs. 2/- each)	18750	14.05	18750	15.25
GTL Infrastructure Ltd. (Face value of Rs. 10/- each)	60000	0.57	60000	1.56
Garden Silk Mills Ltd. (Face value of Rs. 10/- each)	1000	0.20	1000	0.32
Jyoti Structures Ltd. (Face value of Rs. 2/- each)	5000	0.10	5000	0.40
National Aluminium Company Ltd. (Face value of Rs. 5/- each)	2500	1.39	2500	1.66
Punjab National Bank (Face value of Rs. 2/- each)	10000	9.55	10000	9.53
Pilani Investment and Industries Corporation Ltd. (Face value of Rs. 10/- each)	700	15.08	700	17.98
Vedanta Ltd (Face value of Re. 1/- each)	2000	3.69	2000	5.56
Tata Teleservices (Maharashtra) Ltd. (Face value of Rs. 10/- each)	28333	0.86	28333	1.57
Total		75.81		84.15
Aggregate amount of Quoted Investments				
- In Equity Shares		75.81		84.15
		75.81		84.15
Aggregate amount of Market value of Quoted Investments				
- In Equity Shares		75.81		84.15
		75.81		84.15

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

14. Trade Receivables

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2019
Trade Receivables considered good - Secured		**2,30,97.15**	1,33,91.21
Trade Receivables considered good -Unsecured		**3,77,80.91**	3,91,00.85
Trade Receivables which have significant increase in Credit Risk		**-**	-
Trade Receivables - credit impaired		**9,11.17**	8,81.78
Less: Credit loss allowances on Trade Receivable	14.2	**(9,11.17)**	(8,81.78)
		6,08,78.06	5,24,92.06

14.1 Ageing of Trade Receivable

Particulars	As at March 31, 2019	As at March 31, 2018
Within the credit period	**5,04,23.81**	3,63,42.85
1-180 days past due	**63,46.60**	1,06,00.46
More than 180 days past due	**41,07.65**	56,77.15
Total	**6,08,78.06**	5,26,20.46
Current Trade Receivable	**6,08,78.06**	5,24,92.06
Non Current Trade Receivable	**-**	1,28.40
Total	**6,08,78.06**	5,26,20.46

14.2 Movement of Impairment allowances for doubtful debts

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**8,81.78**	12,70.42
Recognised during the year	**90.00**	73.74
Reversal during the year	**60.61**	4,62.38
Balance at the end of the year	**9,11.17**	8,81.78

14.3 Balances of Trade Receivables including for Turnkey Contracts, Trade payable and Advances are subject to confirmation/reconciliation and adjustments in this respect are carried out as and when amounts thereof, if any are ascertained.

14.4 Refer note no. 28.1 to Consolidated Financial Statements in respect of charge created against borrowings.

14.5 Refer note no. 56 for balances with related parties.

15. Cash and Cash Equivalents

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Balances with banks			
In current and cash credit accounts	15.1	**73,27.78**	90,90.05
Cash on hand		**1,73.38**	2,15.72
		75,01.16	93,05.77

15.1 Includes bank balance of Nil (previous year Rs. 11,02.52 lakhs) in respect of External Commercial Borrowings loan pending utilisation for intended use.

15.2 Refer note no. 28.1 and 23.5.2 to Consolidated Financial Statements in respect of charge created against borrowings.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

16. Bank Balances Other than Cash and Cash Equivalents

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Other balance with banks			
In Fixed Deposit Escrow account	24.1	**5,36.93**	5,36.93
In dividend accounts		**82.54**	98.40
Fixed deposits with Banks (having original maturity of more than 3 months)	16.1	**68,85.14**	1,29,17.73
		75,04.61	1,35,53.06

16.1 Fixed Deposits with banks include Fixed Deposit of Rs. 58,42.96 lakhs (previous year Rs.1,25,68.46 lakhs) have been pledged with Banks against guarantee issued by them.

16.2 Refer note no. 28.1 to Consolidated Financial Statements in respect of charge created against borrowings.

17. Loans

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Loan Receivables Considered Good- Secured		**-**	-
Loan Receivables Considered Good- Unsecured			
Security Deposits	17.1 and 17.2	**37,76.90**	47,80.45
		37,76.90	47,80.45
Loan Receivables which have significant increase in Credit Risk			
Considered Doubtful			
Loan and Advances to related party	56	**7,00.00**	7,00.00
Others		**10.62**	10.62
		7,10.62	7,10.62
Less: Impairment Allowances for doubtful advances	7.2 and 17.3	**7,10.62**	7,10.62
		-	-
		37,76.90	47,80.45

17.1 Include Rs. 20,82.01 lakhs (previous year Rs. 12,72.86 lakhs) lying with customer in terms of agreement/order towards supplies of goods.

17.2 Includes Rs. 13,15.92 lakhs (previous year Rs. 27,77.63 lakhs) lying with banks in terms of agreement with them against Invoices factored.

17.3 Movement of Allowances for doubtful advances.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**7,10.62**	7,10.62
Recognised during the year	**-**	-
Reversal during the year	**-**	-
Balance at the end of the year	**7,10.62**	7,10.62

17.4 Refer note no.28.1 to Consolidated Financial Statements in respect of charge created against borrowings.

18. Other Financial Assets

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Interest receivable		**70.75**	42.48
Claim Receivable	48	**93,16.85**	93,16.85
Derivative Assets at fair value through profit or loss		**6,33.20**	-
Incentive/Subsidy/Cess receivable		**61,59.26**	55,25.32
Export incentive receivable		**30,48.84**	20,59.29
Others	18.1	**66.05**	3,33.39
		1,92,94.95	1,72,77.33

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

18.1 Includes Rs. 31.11 lakhs (previous year Rs.1,61.43 lakhs) receivable from Directors of the company towards recovery of excess remuneration paid for the current year.

18.2 Refer note no.28.1 to Consolidated Financial Statements in respect of charge created against borrowings.

19. Other Current Assets

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Loans and Advances to related parties	56	**1.00**	1,77,58.53
Advances for supply of goods and rendering of services			
- Considered Good		**14,08.97**	14,53.71
- Considered Doubtful		**1,06.02**	-
- Less: Impairment Allowances for doubtful advances		**(1,06.02)**	-
Loans and advances to employees		**1,17.08**	1,81.66
Balance with Government authorities		**40,06.99**	27,99.31
Prepaid expenses		**13,91.37**	12,32.23
Others		**2,93.58**	1,56.06
		72,18.99	2,35,81.50

19.1 Movement of Allowances for doubtful advances

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**-**	-
Recognised during the year	**1,06.02**	-
Reversal during the year	**-**	-
Balance at the end of the year	**1,06.02**	-

19.2 All the above advances have been given for general corporate purpose.

19.3 Refer note no.28.1 to Consolidated Financial Statements in respect of charge created against borrowings.

20. Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
Equity shares, Re. 1/- par value		
500,000,000 (previous year 500,000,000) equity shares	**50,00.00**	50,00.00
Issued, Subscribed and Paid-up		
Equity shares, Re. 1/- par value		
405,482,183 (previous year 356,955,322) equity shares fully paid up	**40,54.82**	35,69.55
	40,54.82	35,69.55

20.1 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.

20.2 During the year, the company had issued 4,85,26,861 numbers of equity shares of Re. 1 each at a premium of Rs. 27.85 each (full figure) on preferential basis. The equity shares were allotted on August 20, 2018.

20.3 Reconciliation of the number of equity shares outstandings

Particulars	As at March 31, 2019	As at March 31, 2018
Number of shares at the beginning	**356955322**	356955322
Add: Addition during the year	**48526861**	-
Number of shares at the end	**405482183**	356955322

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

21. Other Equity

Particulars	**As at March 31, 2019**	As at March 31, 2018
Capital Reserve	**41,67.77**	41,67.77
Securities Premium	**7,91,04.99**	6,55,90.26
General Reserve	**10,05,65.95**	10,05,65.95
Debenture Redemption Reserve	**-**	62,50.00
Statutory Reserve	**2,96.09**	1,71.18
Retained Earnings	**7,42,43.30**	6,56,48.66
Other Comprehensive Income		
Equity instrument through other comprehensive income	**(6,12.07)**	16.65
Effective portion of cash flow hedge	**-**	(1,73.98)
Foreign currency translation reserve	**21,26.96**	21,53.84
Share of Associates/ Joint Venture (net)	**(95.20)**	(88.75)
	25,97,97.79	24,43,01.58

21.1 Refer Statement of changes in Equity for movement in balances of reserves.

21.2 **Capital Reserve**

The reserve was created mainly on account of forfeiture of warrants convertible into equity shares.

21.3 **Securities Premium**

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

21.4 **General Reserve**

The reserve arises on transfer portion of the net profit pursuant to the provisions of Companies Act.

21.5 **Statutory Reserve**

Statutory Reserve is required to be created by certain subsidiaries of the Group out of the profits and maintained in accordance with local law of the host country. This reserves is available for utilisation as specified in the local law of the host country.

21.6 **Retained Earnings**

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

21.7 **Other Comprehensive Income**

Other Comprehensive Income (OCI) represent the balance in equity for items to be accounted under OCI and comprises of the following:

i) Items that will not be reclassified to profit and loss

   a. The Group has elected to recognise changes in the fair value of non-current investments (other than associates and joint ventures) in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

   b. The actuarial gains and losses arising on defined benefit obligations have been recognised in OCI.

ii) Items that will be reclassified to Profit and Loss.

   a. This Reserve represents the cumulative effective portion of changes in fair value of currency swap that are designated as cash flow hedge are recognised in OCI. This is reclassified to statement of Profit and Loss.

22. Non- Controlling Interest

22.1 The details (Principal place of operation/country of incorporation, principal activities and percentage of ownership interest and voting power (direct held by the Group)) of the subsidiaries are set out in note no. 1 of the consolidated financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

22.2 Summarised financial information of subsidiary having non-controlling interests is as follow:

Name of the Subsidiary	Profit/(Loss) allocated to Non-controlling interests		Accumulated Non controlling interests	
	For the year ended March 31, 2019	For the year ended March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Electrosteel Doha For Trading LLC	**48.75**	**16.38**	**65.87**	37.72

a) Summarised Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018
Assets		
(i) Non-current assets		
Property, Plant and Equipment and Capital Work in progress	**0.34**	0.57
(ii) Current assets		
Inventories	**4,18.85**	2,88.61
Financial Assets	**10,54.47**	2,52.72
Other current assets	**19,90.24**	9,38.47
Liabilities		
Current liabilities		
Financial Liabilities	**8,40.12**	2,54.14
Other current liabilities	**2,73.66**	3,94.66
Current Tax Liabilities (Net)	**-**	-
Equity attributable to :		
Owners of the Parent	**20,53.69**	7,35.06
Non controlling interest	**65.87**	37.72

b) Summarised Statement of Profit and Loss :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Revenue	**88,32.65**	24,73.31
(ii) Other Income	**10,00.43**	3,86.02
(iii) Purchases of Stock-in-Trade	**62,03.20**	20,32.80
(iv) Changes in inventories of finished goods , stock-in-trade and work-in-progress	**(1,30.23)**	(2,55.47)
(v) Employee benefits expense	**1,79.93**	1,09.46
(vi) Depreciation and amortisation	**0.27**	0.52
(vii) Other expenses	**20,26.18**	3,86.91
(viii) Profit/(loss) during the year	**13,24.81**	5,27.32
(ix) Other comprehensive income	**42.57**	18.68
(x) Total comprehensive income	**13,67.38**	5,46.00
Total comprehensive income attributable to :		
Owners of the Parent	**13,18.63**	4,97.25
Non controlling interest	**48.75**	48.75

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

c) Summarised Cash Flow Statement

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net cash inflow/(outflow) from operating activities	**(52.88)**	32.55
Net cash inflow/(outflow) from investing activities	**(0.04)**	(0.23)
Net cash inflow/(outflow) from financing activities	**(20.60)**	-
Net cash inflow/(outflow)	**(73.52)**	32.31
Dividend paid to Non-controlling interests (including tax)	**-**	-

23. Borrowings

Particulars	Ref. note no.	As at March 31, 2019		As at March 31, 2018	
		Non Current	Current	Non Current	Current
SECURED BORROWINGS					
Non Convertible Debentures					
11.75% Non Convertible Debentures	23.1.1	**-**	**-**	99,31.19	25,00.00
12.00% Non Convertible Debenture	23.1.2	**-**	**-**	74,56.22	-
11.00% Non Convertible Debentures	23.1.3	**-**	**-**	-	49,91.90
Term loan from banks					
External Commercial Borrowing	23.2.1	**1,51,07.42**	**75,53.71**	2,84,75.80	1,42,37.90
FCNR Loan	23.2.2	**-**	**-**	62,35.19	17,32.62
Rupee Loan	23.2.3, 23.2.4, 23.2.5, 23.2.6, 23.2.7 and 23.2.8	**6,01,56.17**	**48,32.88**	2,16,35.36	26,00.00
Term loan from a financial institution	23.3	**18,69.08**	**8,33.33**	26,98.54	8,33.33
Finance Lease	23.4	**39.18**	**13.30**	17.00	12.41
Others	23.5	**14.43**	**2,32.70**	2,62.79	2,40.50
		7,71,86.28	**1,34,65.92**	7,67,12.09	2,71,48.66
UNSECURED BORROWINGS					
Term loan from financial institutions	23.6.1, 23.6.2, 23.6.3, 23.6.4 and 23.6.5	**66,38.69**	**17,92.50**	81,43.98	8,85.00
		66,38.69	**17,92.50**	81,43.98	8,85.00
		8,38,24.97	**1,52,58.42**	8,48,56.07	2,80,33.66

23.1.1 11.75% Non Convertible Debentures (privately placed) were to be secured by first pari-passu charge on company's Property, Plant and Equipment and other intangible assets (immovable and movable) including land and buildings both present and future other than assets located at Elavur. These debentures were allotted on March 7, 2017 and have been redeemed early in full during the year by exercising call option by the company.

23.1.2 12.00% Non Convertible Debentures (privately placed) were to be secured by second pari-passu charge on company's Property, Plant and Equipment and other intangible assets (immovable and movable) including land and buildings both present and future other than assets located at Elavur. These debentures were allotted on March 7, 2017 and have been redeemed early in full during the year by exercising call option by the company.

23.1.3 11.00% Non Convertible Debentures (privately placed) were secured by second pari-passu charge on company's Property, Plant and Equipment and other intangible assets (immovable and movable) including land and buildings both present and future other than assets located at Elavur. These debentures were allotted on July 5, 2013 and have been fully redeemed during the year.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

23.2.1 External Commercial Borrowings of USD 1,39.00 million is repayable in 12 semi annual instalments from August 29, 2015. The outstanding as on March 31, 2019 is Rs 2,26,61.13 lakhs (previous year Rs.4,27,13.70 lakhs). The interest rate ranges from 6M Libor + 400 to 500 basis points. External Commercial Borrowings is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur. One installment falling due in 2019-20 has been prepaid during the year.

23.2.2 FCNR Loan has been converted to Rupee Term loan during the year. The loan is secured by way of charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur and Vadgaon (Pune). The Loan is repayable in balance 15 equal quarterly instalments . The interest rate is 10.00% p.a. The outstanding as on March 31, 2019 is Rs. 62,04.36 lakhs (previous year Rs. 79,67.81 lakhs).

23.2.3 Rupee Term Loan of Rs 50,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur and Vadgaon (Pune). Rupee Term Loan is repayable in 25 equal quarterly instalments starting from July, 2017. The interest rate ranges from 9.50% p.a to 10.50% p.a. The outstanding as on March 31, 2019 is Rs 33,41.52 lakhs (previous year Rs 40,25.95 lakhs).

23.2.4 Rupee Term Loan of Rs 2,00,00.00 lakhs from bank was secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur. The said loan has been fully pre paid during the year.

23.2.5 Rupee Term Loan of Rs 40,00.00 lakhs from bank is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur and Vadgaon (Pune). The Rupee Term Loan is repayable in 16 equal quarterly installments starting from Dec, 2015. The interest rate ranges from 10.50% p.a to 12.50% p.a. The outstanding as on March 31, 2019 is Rs 4,97.88 lakhs (previous year Rs 14,83.45 lakhs).

23.2.6 Rupee Term Loan of Rs 1,50,00.00 lakhs from bank is secured by way of first pari-passu charge on both movable and immovable fixed assets of the company, both present and future other than assets located at Elavur. Rupee Term Loan Principal is repayable in 25 structured quarterly installments starting from May,2019. The interest rate ranges from 9.50% p.a to 10.00% p.a. The outstanding as on March 31, 2019 is Rs 1,30,48.35 lakhs (previous year Nil).

23.2.7 Rupee Term Loan of Rs 50,00.00 lakhs from bank is secured by way of first pari-passu charge on both movable and immovable fixed assets of the company, both present and future other than assets located at Elavur and Vadgaon (Pune). Rupee Term Loan Principal is repayable in 25 structured quarterly installments starting from Dec, 2019. The interest rate ranges from 10.00% p.a to 11.00% p.a. The outstanding as on March 31, 2019 is Rs 45,63.08 lakhs (previous year Nil).

23.2.8 Rupee Term Loan of Rs 4,00,00.00 lakhs from bank is to be secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment both present and future of the Company other than assets located at Elavur and Vadgaon (Pune). The loan is further secured by way of pledge of investment in Srikalahasthi Pipes Limited (SPL) to the extent of 15% with non disposal undertaking over remaining shares held by the company in SPL.The loan is further secured by pledge of 10% equity shares of the company held by promoter/promoter entities with non disposal undertaking over remaining shares held by them in the company. Rupee Term Loan is repayable in 48 structured quarterly installments starting from June, 2019. The interest rate ranges from 12.00% p.a to 13.00% p.a. The outstanding as on March 31, 2019 is Rs 3,73,33.86 lakhs (previous year Nil).

23.3. Term Loan of Rs 50,00.00 lakhs from a financial institution is secured by way of first pari-passu charge on all immovable and movable Property, Plant and Equipment and other intangible assets, both present and future of the Company other than assets located at Elavur. Term Loan is repayable in 24 equal quarterly installments starting from July, 2016. The interest rate ranges from 11.50% p.a to 12.50% p.a. The outstanding as on March 31, 2019 is Rs 27,02.41 lakhs (previous year Rs 35,31.87 lakhs).

23.4 In case of one subsidiary, obligation under finance lease is secured by lessor's title to the leased asset. The interest rate is 10.30% per annum.

23.5 Loan from others includes Rs 10,05.85 lakhs which is repayable in 60 equal monthly installments of Rs 19.39 lakhs from 2nd April 2015. The outstanding as on March 31, 2019 is Rs 2,47.13 lakhs (March 31, 2018 Rs 5,03.28 lakhs). The said loan is secured against cash deposit by one of the subsidiary.

23.6.1 Term Loan of Rs. 3,22.24 lakhs from a financial institution is repayable in 36 monthly instalments starting from Juy, 2017. The interest rate is 2.35% p.a . The outstanding as on March 31, 2019 is Rs. 1,44.22 lakhs.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

23.6.2 Term Loan of Rs. 1,62.38 lakhs from a financial institution is repayable in 36 monthly instalments starting from February, 2019. The interest rate is 4.00% p.a . The outstanding as on March 31, 2019 is Rs. 1,42.98 lakhs.

23.6.3 Term Loan of Rs. 41,00.00 lakhs from a financial institution is repayable in 16 quarterly instalments starting from June, 2018. The interest rate ranges from 11.00% p.a to 12.50 % p.a. The outstanding as on March 31, 2019 is Rs. 36,90.00 lakhs (previous year Rs 41,00.00 lakhs).

23.6.4 Term Loan of Rs. 33,00.00 lakhs from a financial institution is repayable in 16 quarterly instalments starting from March, 2018. The interest rate ranges from 11.00% p.a to 12.50 % p.a. The outstanding as on March 31, 2019, is Rs. 20,16.48 lakhs (previous year Rs. 24,28.98 lakhs).

23.6.5 Term Loan of Rs. 25,00.00 lakhs from a financial institution is repayable in 16 quarterly instalments starting from March, 2019. The interest rate ranges from 11.00% p.a to 12.50 % p.a. The outstanding as on March 31, 2019, is Rs. 24,37.50 lakhs (previous year Rs. 25,00.00 lakhs).

23.7 The outstanding balances disclosed in Note no. 23.1 to 23.6 are based on the amortised cost in accordance with IND AS 109 "Financial Instruments".

24. Provisions

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	47	**13,59.29**	13,11.61
Provision for mine closure and restoration charges	24.1	**5,59.98**	5,59.98
		19,19.27	18,71.59

24.1 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. In view of cancellation of allotment of coal mines, no further provision have been considered necessary. (refer note no. 16 and 48)

24.2 Movement in Mine closure and Restoration Obligation provision are provided below:

Particulars	(Amount Rs. in lakhs)
As at April 1, 2017	**5,59.98**
Provision during the year	
As at March 31, 2018	**5,59.98**
Provision during the year	-
As at March 31, 2019	**5,59.98**

Particulars	As at March 31, 2019	As at March 31, 2018
Current	**-**	-
Non current	**5,59.98**	5,59.98

25. Deferred Tax Liabilities

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax Assets	**(75,09.44)**	(45,21.49)
Deferred tax Liabilities	**3,24,16.53**	3,16,02.01
Net Deferred Tax (Assets)/Liabilities	**2,49,07.09**	2,70,80.53

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2019 are given below:

Particulars	As at April 1, 2018	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in other comprehensive income	As at March, 31 2019
Deferred Tax Assets:				
Fair valuation of Financial Assets	(4,93.87)	(38.39)		**(5,32.26)**
Provision for Other Items u/s 43B of Income Tax Act, 1961	(24,36.36)	(4,56.60)		**(28,92.96)**
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(7,62.45)	40.82		**(7,21.63)**
Carried forward unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(5,88.99)	0.00		**(5,88.99)**
Unabsorbed Depreciation under Income Tax Act,1961	-	(12,13.93)		**(12,13.93)**
Unabsorbed Business Loss under Income Tax Act,1961	-	(15,07.47)		**(15,07.47)**
Derivative instruments designated at fair value through P&L A/c	(42.74)	28.40		**(14.34)**
Remeasurement of defined benefit obligations through OCI	(1,03.62)	-	65.76	**(37.86)**
Derivative instruments designated at fair value through OCI (Cash flow hedge reserve)	(93.46)	-	93.46	**-**
Other timing differences w.r.t. subsidiaries under various jurisdiction	-	-	-	**-**
Total Deferred Tax Assets	**(45,21.49)**	**(31,47.17)**	**1,59.22**	**(75,09.44)**
Deferred Tax Liabilities:				
Fair valuation of Financial Liabilities	3,90.73	16,92.69	-	**20,83.42**
Temporary difference with respect to Property, Plant & Equipment	3,09,02.93	(7,89.58)	-	**3,01,13.35**
Fair valuation of Derivative instruments designated through P&L A/c	3,02.13	(1,04.10)	-	**1,98.03**
Investments designated at fair value through OCI	5.05	-	4.99	**10.04**
Other timing differences w.r.t. subsidiaries under various jurisdiction	1.18	10.51	-	**11.69**
Total Deferred Tax Liabilities	**3,16,02.02**	**8,09.52**	**4.99**	**3,24,16.53**
NET DEFERRED TAX (ASSETS)/ LIABILITIES	**2,70,80.53**	**(23,37.65)**	**1,64.21**	**2,49,07.09**

Components of Deferred tax (Assets)/ Liabilities as at March 31, 2018 are given below:

Particulars	As at April 1, 2017	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in other comprehensive income	As at March, 31 2018
Deferred Tax Assets:				
Fair valuation of Financial Assets	(8,16.47)	3,22.60	-	**(4,93.87)**
Provision for Other Items u/s 43B of Income Tax Act, 1961	(17,54.50)	(6,81.86)	-	**(24,36.36)**
Provision for Employee benefits u/s 43B of Income Tax Act, 1961	(7,67.41)	4.96	-	**(7,62.45)**
Carried forward unabsorbed Long Term Capital Loss under Income Tax Act, 1961	(5,83.30)	(5.69)	-	**(5,88.99)**
Derivative instruments designated at fair value through P&L	-	(42.74)	-	**(42.74)**
Remeasurement of defined benefit obligations through OCI	(1,07.58)		3.96	**(1,03.62)**
Derivative instruments designated at fair value through OCI (Cash flow hedge reserve)	(1,93.01)	-	99.55	**(93.46)**
Other timing differences w.r.t. subsidiaries under various jurisdiction	-	-	-	**-**
Total Deferred Tax Assets	(42,22.27)	(4,02.72)	1,03.51	**(45,21.49)**

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	As at April 1, 2016	Charge/ (Credit) recognised in profit or loss	Charge/ (Credit) recognised in other comprehensive income	As at March, 31 2017
Deferred Tax Liabilities:				
Fair valuation of Financial Liabilities	5,23.60	(1,32.87)	-	**3,90.73**
Temporary difference with respect to Property, Plant & Equipment	3,32,88.39	(23,85.45)	-	**3,09,02.94**
Fair valuation of Derivative instruments designated through P&L A/c	2,23.87	78.26	-	**3,02.13**
Investments designated at fair value through OCI	7.10	-	(2.05)	**5.05**
Other timing differences w.r.t. subsidiaries under various jurisdiction	3.46	(2.29)	-	**1.17**
Total Deferred Tax Liabilities	**3,40,46.42**	**(24,42.35)**	**(2.05)**	**3,16,02.01**
NET DEFERRED TAX (ASSETS)/ LIABILITIES	**2,98,24.15**	**(28,45.07)**	**1,01.47**	**2,70,80.53**

26. Other Non–Current Liabilities

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Advance from customers	26.1	**1,58,70.76**	1,78,69.44
Others		**1,48.51**	1,53.95
		1,60,19.27	1,80,23.39

26.1 Advance from customers amounting to Rs.1,58,57.91 lakhs (previous year Rs. 1,78,47.89 lakhs) received as interest bearing advance for sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

27. Non Current Tax Liabilities (Net)

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Provision for taxation (net of advance tax)	27.1	**42,42.05**	42,19.00
		42,42.05	42,19.00

27.1 Includes Rs. 11,37.01 lakhs (net) [previous year Rs. 11,37.01 lakhs (net)] being interest received pertaining to Assessment Years 2003-04 to 2011-12 as the Income Tax Department has filed an appeal before the Calcutta High Court against the order of the the Income Tax Appellate Tribunal, Kolkata and the said appeal is pending.

Further includes Rs. 97.55 lakhs (net) [previous year Rs. 97.55 lakhs (net)] being interest received pertaining to Assessment Year 2012-13 and Assessment Year 2013-14. The Income Tax Appellate Tribunal, Kolkata has dismissed the Income Tax Department's appeal. However, going by the past precedent the Income Tax Department may file an appeal before the Calcutta High Court. The time limit for filing the appeal before the Calcutta High Court by the Income Tax Department is not yet over.

28. Borrowings

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
SECURED			
Repayable on demand from banks	28.1 to 28.3		
Indian Currency		**3,01,17.25**	1,74,23.10
Foreign Currency		**1,51,92.67**	2,54,38.97
Suppliers Credit		**1,79,92.44**	19,62.04
		6,33,02.36	4,48,24.11
UNSECURED			
Repayable on demand from banks		**56,27.39**	63,59.24
Foreign Currency		**81,00.76**	56,51.52
From Others		**1,37,28.15**	1,20,10.76
		7,70,30.51	5,68,34.87

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

28.1 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 hypothecation of raw materials, finished goods, work in progress, consumable stores and spares, book debts/receivables and other current and non current assets of the company both present and future.

28.2 Loans repayable on demand being Working Capital facilities from Banks (both fund based and non fund based) availed by subsidiaries are secured by Standby Letter of Credit given/executed by the company in favour of the lenders.

28.3 Loans repayable on demand being Working Capital facilities from Banks includes Rs 48,43.71 lakhs (previous year: Rs. 29,68.41 lakhs) secured over the assets of one of the subsidiary including freehold and lease hold property.

29. Trade Payables

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Payable for Goods and Services			
Total Outstanding dues of Micro enterprises and small enterprises: and	29.1	**38.24**	-
Total Outstanding of creditor other than Micro enterprises and small enterprises	29.3	**3,08,94.15**	3,38,43.77
		3,09,32.39	3,38,43.77

29.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, is based on the confirmation and information received by the company from the suppliers regarding the status under the Act.

Particulars	As at March 31, 2019	As at March 31, 2018
a) Principal & Interest amount remaining unpaid but not due as at year end	**38.24**	Nil
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	**Nil**	Nil
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	**Nil**	Nil
d) Interest accrued and remaining unpaid as at year end	**Nil**	Nil
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	**Nil**	Nil

29.2 Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

29.3 Including acceptances of Rs. 1,00,76.60 lakhs (previous year Rs. 95,67.18 lakhs).

30. Other Financial Liabilities

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt			
Secured	23	**1,34,52.62**	2,71,36.24
Unsecured	23	**17,92.50**	8,85.00
Current maturities of finance lease obligation	23	**13.30**	12.41
Interest accrued but not due on borrowings		**7,86.40**	11,36.76
Interest accrued and due on borrowings		**-**	38.24
Employee related liability		**10,21.68**	10,07.37
Derivative at fair value through profit or loss		**-**	1,03.84
Unclaimed dividends	30.1	**82.54**	98.40
Capital vendors		**6,46.60**	3,81.26
Others		**3,58.17**	4,04.77
		1,81,53.81	3,12,04.29

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

30.1 The same is not due for deposit to investor education and protection fund.

31. Other Current Liabilities

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Advance from customers	31.1	**98,75.65**	2,23,87.53
Statutory Payables		**88,58.88**	80,91.17
Others		**28.42**	15.53
		1,87,62.95	3,04,94.23

31.1 Advance from customers includes Rs.25,56.70 lakhs (previous year Rs. 26,04.34 lakhs) and Rs. 48,16.18 lakhs (previous year Nil) received from related party being interest bearing against sale of DI Pipes, Fittings and related accessories has been classified and disclosed as aforesaid as per terms of the contract.

32. Provisions

Particulars	Ref. note no.	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	47	**18,52.19**	18,23.67
Other Provisions	32.1	**1,99.32**	3,51.31
		20,51.51	21,74.98

32.1 Other Provisions includes provision relating to disputed customer claims/rebates/demands amounting to Nil (previous year Rs. 90.63 lakhs).

32.2 Movement in other provisions are provided below:

Particulars	(Amount Rs. In lakhs)
As at April 01, 2017	11,37.13
Provision during the year	1,90.92
Reversal/Utilisation during the year	(9,76.74)
As at March 31, 2018	3,51.31
Provision during the year	0.76
Reversal/Utilisation during the year	(1,52.75)
As at March 31, 2019	**1,99.32**

33. Current Tax Liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for taxation (net of advance tax)	**3,78.68**	15,42.16
	3,78.68	15,42.16

34. Revenue From Operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	**26,52,58.56**	22,34,80.08
Sale of services	**-**	1,64.20
Other operating revenues		
Incentive / Subsidy	**43,83.15**	28,64.02
Others	**3,01.93**	3,27.92
	26,99,43.64	22,68,36.22

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

34.1 Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standards and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc. are not part of Revenue. Accordingly, the figures for the year ended 31st March, 2019 is not comparable to previous year. The following additional information is being provided to facilitate such understanding:

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Revenue from Operations (A)	**26,99,43.64**	22,68,36.22
Excise duty on sale (B)	-	9,96.28
Revenue from operations excluding excise duty on sale (A-B)	**26,99,43.64**	22,58,39.94

34.2. Revenue From Contracts with Customer

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
A. Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from Sale of products (Transferred at point in time)		
Manufacturing		
Ductile Iron pipes & fittings	**20,86,13.53**	17,50,94.77
Cast Iron pipes	**1,54,10.47**	81,30.18
Others	**3,30,76.66**	2,34,38.71
Trading		
Coke and Coal	**8,90.39**	63,36.83
Ductile Iron pipes & fittings	**41,58.81**	79,34.00
Others	**31,08.70**	25,45.58
Revenue from Sale of services		
Execution of turnkey projects	-	1,64.21
Other operating revenues		
Incentive / Subsidy	**43,83.15**	28,64.02
Others	**3,01.93**	3,27.92
	26,99,43.64	22,68,36.22
B. Revenue from contracts with customers disaggregated based on geography #		
Within India	**12,96,93.90**	13,83,93.99
Outside India	**13,55,64.66**	8,52,50.29
	26,52,58.56	22,36,44.28
C. Revenue from contracts with customers disaggregated based on type of customer		
Government	**5,06,42.40**	3,95,51.86
Non Government	**21,46,16.16**	18,40,92.42
	26,52,58.56	22,36,44.28
Reconciliation of revenue from contract with customer:		
Revenue from contracts with customer as per the contract price	**26,52,64.99**	22,37,34.91
Adjustments made to contract price on account of:		
a) Price Adjustments	**6.43**	90.63
	26,52,58.56	22,36,44.28

for detail refer note no. 56

The amounts receivable from customers become due after expiry of credit period which on an average is ranging between 90 to 270 days. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

All contracts entered by the company are Fixed-price contracts.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

35. Other Income

Particulars	Ref. note no.	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income			
On loans, deposits, overdue debts etc.		**14,85.06**	13,27.77
On Financial Assets measured at amortised cost		**1,47.80**	1,86.24
Others		**-**	47.48
Dividend income			
Current investments		**1.51**	2.96
Non current investments		**1.20**	0.23
Net gain/(loss) on derecognition of financial assets at amortised cost		**56.39**	28.48
Net gain/(loss) on foreign currency transaction and translation		**24.06**	28,78.68
Net gain/(loss) on Derivative Instruments on fair valuation through profit or loss		**10,33.60**	-
Bad Debt Realised		**1,37.00**	-
Liability / Provision no longer required written back		**8,74.38**	23,11.44
Gain on redemption of financial liability at amortised cost		**8,03.25**	-
Miscellaneous income	35.1	**11,26.69**	13,26.45
		56,90.94	81,09.73

35.1 Miscellaneous income includes coal compensation cess amounting to Rs. 3,56.17 lakhs (previous year Nil) recognised during the year which is related to previous year on account of notification issued during the year by the appropriate authorities.

36. Cost of materials consumed

Particulars	Ref. note no.	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw materials consumed	36.1	**11,05,88.28**	8,60,67.67
		11,05,88.28	8,60,67.67

36.1 Cost of material consumed includes Rs. 6,97.88 lakhs (previous year Rs. 49,74.01 lakhs) in relation to cost of goods sold as raw materials.

37. Purchases of Stock In Trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
DI Pipes & fittings	**1,08,13.52**	94,99.55
Coke and coal	**1,81.99**	12,83.18
Rubber gaskets	**24,24.01**	24,14.46
Others	**17,47.12**	35,86.08
	1,51,66.64	1,67,83.27

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

38. Changes in inventories of finished goods, Stock-in-Trade and work-in-progress

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Opening stock		
Finished	**2,81,99.91**	2,74,07.66
Stock-in-trade (in respect of goods acquired for trading)	**1,58.82**	-
Process	**85,98.37**	81,72.92
Work in Progress (Turnkey Projects)	**-**	2,74.84
	3,69,57.10	3,58,55.42
Less: Closing stock		
Finished	**3,69,73.44**	2,81,99.91
Stock-in-trade (in respect of goods acquired for trading)	**29.95**	1,58.82
Process	**51,63.52**	85,98.37
	4,21,66.91	3,69,57.10
	(52,09.81)	(11,01.68)

39. Employee Benefits Expense

Particulars	**Ref. note no.**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Salaries and wages	47	**2,21,56.00**	2,04,20.17
Contribution to provident and other funds	47	**18,42.39**	15,51.78
Staff welfare expenses		**10,95.06**	10,45.77
		2,50,93.45	2,30,17.72

40. Finance Costs

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Interest expense	**1,75,63.62**	1,67,01.97
Net (gain)/loss on foreign currency transactions and translation	**27,41.21**	5,31.60
Other borrowing cost	**31,59.69**	37,94.16
	2,34,64.52	2,10,27.73

Borrowing cost capitalised during the year Rs. 1,05.92 lakhs (previous year Nil).The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the holding company's general borrowings during the year, in this case 11.80%.

41. Depreciation and Amortisation Expenses

Particulars	**Ref. note no.**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Depreciation Expenses	5	**56,88.09**	59,04.62
Amortisation Expenses	6	**1,63.31**	3,35.49
		58,51.40	62,40.11

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

42. Other Expenses

Particulars	**Ref. note no.**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Consumption of stores and spare parts		**1,53,54.68**	1,36,66.27
Power and fuel		**1,65,53.42**	1,51,80.66
Material Handling Charges		**23,08.96**	21,06.18
Rent	42.5(B)	**21,58.14**	25,85.77
Repairs to buildings		**3,56.02**	3,59.68
Repairs to machinery		**6,22.94**	6,73.93
Insurance		**6,51.41**	6,59.80
Rates and taxes		**5,20.52**	4,79.08
Directors fees and commission		**45.50**	74.42
Freight & forwarding charges		**2,04,47.37**	1,83,13.87
Commission to selling agents		**52,32.71**	51,67.08
Excise duty paid and on stock		**-**	5,22.96
Assets / Advances written off		**6,90.33**	-
Bad debts		**1,56.46**	5,62.30
Loss on sale of fixed assets (net)		**2,77.58**	81.63
Less: Reversal of Impairment Allowances for doubtful debts		**(60.61)**	(4,62.38)
Credit loss allowances on Trade Receivable/ Advances		**1,96.02**	73.74
Net Loss/(Gain) on foreign currency transaction and translation		**20,15.34**	-
Net Loss/(Gain) on fair valuation of Current investments through Profit and Loss (net)		**8.33**	6.36
Net Loss/(Gain) on fair valuation of Derivative Instruments through Profit and Loss		**-**	22,31.68
Impairment of investment		**8,38.13**	-
Miscellaneous expenses	42.1, 42.3 and 42.4	**1,64,63.58**	1,41,75.43
		8,48,36.83	7,64,58.46

42.1 Miscellaneous expenses includes Auditors Remuneration.

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
(a) Audit Fees	**88.49**	88.34
(b) Certification Charges *	**26.65**	31.01
(c) Reimbursement of Expenses	**0.45**	0.16

* includes Nil (previous year 13.76 lakhs) paid to erstwhile Auditor

42.2 During the year, the Company has incurred Rs. 1,11.77 lakhs (previous year Rs. 1,15.65 lakhs) in the nature of salary and wages on account of research and development expenses which has been charged to Statement of Profit and Loss.

42.3 During the year, the Company has incurred Rs. 1,15.00 lakhs (previous year Rs.1,56.00 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Miscellaneous Expenses.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Gross amount required to be spent by the Company during the year		
(b) Amount spent during the year on :		
(i) Construction / acquisition of any assets		
- In Cash	**–**	–
- Yet to be paid in cash	**–**	–
Total	**–**	–
(ii) On purpose other than (i) above		
- In Cash	**1,15.00**	1,56.00
- Yet to be paid in cash	**-**	-
Total	**1,15.00**	1,56.00

42.4 Includes provision for Inventories amounting to Rs. 66.26 lakhs (previous year Rs. 53.47 lakhs).

42.5 **Obligation under leases**

A. Finance Lease disclosures :

The leasehold lands are located at Kashberia, Haldia, East Mednipur, West Bengal and has been classified under finance lease having lease term for a period of 90 years. In case of one subsidiary, the said entity takes on leases certain equipments under capital lease agreement that matures at various dates.

The net carrying amount of the leasehold land is Rs. 11,95.25 lakhs as at March 31, 2019 (previous year Rs.12,11.24 lakhs).

Finance Lease Liabilities

Particulars	**Minimum Lease payments**		**Present value of Minimum Lease Payments**	
	As at March 31, 2019	As at March 31, 2018	**As at March 31, 2019**	As at March 31, 2018
Not later than one year	**16.61**	15.56	**16.26**	15.23
Later than one year and not later than five years	**58.38**	35.29	**51.54**	28.77
Later than five years	**23,59.24**	23,63.46	**33.64**	32.06

B. Operating Lease disclosures :

i. The Company has certain operating lease arrangements for office accommodations etc. with tenure extending upto 36 months. Term of certain lease arrangements include escalation clause for rent on expiry of 12 months from the commencement date of such lease . Expenditure incurred on account of rent during the year and recognised in the Profit and Loss account amounts to Rs. 17,06.22 lakhs (previous year Rs. 15,39.93 lakhs).

ii. With regard to certain other non-cancellable operating leases for premises, the future minimum rentals are as follows:

Particulars	**Future Minimum Lease payments**	
	As at March 31, 2019	As at March 31, 2018
Not later than one year	**2,26.58**	2,08.73
Later than one year and not later than five years	**10,69.46**	11,43.72
Later than five years		-

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

43. Exceptional Items

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Exceptional Items			
On account of:			
Fair valuation of investment of Electrosteel Steels Ltd.	7A.2	**27,24.50**	-
Write off of advances/trade receivable pertaining to Electrosteel Steel Ltd.	7A.2	**(2,11,21.70)**	-
		(1,83,97.20)	-

44. Tax Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	**5,37.80**	27,36.58
Total Current tax expense recognised in the current year	**5,37.80**	27,36.58
Deferred tax		
In respect of the current year	**(23,37.65)**	(11,20.93)
In respect of the earlier year	**-**	(17,24.14)
Total Deferred tax expense recognised in the current year	**(23,37.65)**	(28,45.07)
Total Tax expense recognised in the current year	**(17,99.85)**	(1,08.49)

44.1 Reconciliation of Income tax expense for the year with accounting profit is as follows:

Taxable Income differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Details in this respect are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	**(25,53.93)**	64,52.67
Income tax expense calculated at 34.944% (previous year 34.608%)	**(8,93.72)**	22,33.14
Less : Effect of income Exempt from taxation/ deductible for computing taxable profit		
- Dividend	**(4,05.62)**	(4,01.81)
Effect of other adjustments in respect of earlier year	**-**	(17,24.14)
Differences in taxes under various jurisdiction in respect of subsidiaries	**(10,88.88)**	(4,93.33)
Add : Effect of expenses that are not deductible in determining taxable profit		
- CSR Expenditure	**-**	3.81
- Deduction u/s 80-G	**40.33**	51.27
Effect of other adjustments	**5,48.04**	2,22.57
Income tax expense recognised in profit or loss	**(17,99.85)**	(1,08.49)

The tax rate used for reconciliations above is 34.944% (previous year 34.608%) as applicable for corporate entities on taxable profits under the Indian tax laws.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

44.2 **Income tax recognised in other comprehensive income**

Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	**(4.99)**	2.05
Remeasurement of defined benefit obligation	**(65.76)**	(3.96)
Derivative instrument designated at fair value through Cash Flow Hedge Reserve	**(93.46)**	(99.55)
Total income tax recognised in other comprehensive income	**(1,64.21)**	(1,01.46)
Bifurcation of the income tax recognised in other comprehensive income into :		
Items that will not be reclassified to profit or loss	**(70.75)**	(1.91)
Items that will be reclassified to profit or loss	**(93.46)**	(99.55)

45. Components of Other Comprehensive Income

Particulars	**Ref. note no.**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Items that will not be reclassified to Statement of Profit and Loss			
Remeasurement of defined benefit plans	47	**1,88.18**	14.33
Equity Instrument through Other Comprehensive Income		**(6,23.72)**	(9.09)
		(4,35.54)	5.24
Items that will be reclassified to Statement of Profit and Loss			
Effective portion of foreign currency translation reserve		**(30.33)**	(10,78.03)
Effective portion of Cash flow hedge reserve		**2,67.44**	2,90.25
		2,37.11	(7,87.78)

46. FINANCIAL INSTRUMENTS

a) The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	**As at March 31, 2019**		As at March 31, 2018	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	**6,08,78.06**	**6,08,78.06**	5,26,20.46	5,26,20.46
Cash and cash equivalents	**75,01.16**	**75,01.16**	93,05.77	93,05.77
Bank Balances Other than Cash and Cash Equivalents	**75,04.61**	**75,04.61**	1,35,53.06	1,35,53.06
Loans	**51,83.10**	**51,83.10**	70,03.09	70,03.09
Other Financial Assets	**2,27,94.95**	**2,27,94.95**	2,27,94.95	2,27,94.95
Financial Assets measured at Fair Value through Profit and Loss Account				
Derivative Instruments	**6,33.20**	**6,33.20**	-	-
Investment in Equity Instruments	**75.81**	**75.81**	84.15	84.15
Financial Assets measured at Fair Value through Other Comprehensive Income				
Investment in Equity Instruments other than Subsidiaries, Associates and Joint Venture	**21,35.24**	**21,35.24**	34.57	34.57

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings - fixed rate	**5,91,75.04**	**5,79,29.06**	6,84,23.79	6,93,01.01
Borrowings - floating rate	**11,69,38.83**	**11,69,38.83**	10,13,00.79	10,13,00.79
Trade Payables	**3,09,32.39**	**3,09,32.39**	3,38,43.77	3,38,43.77
Other Financial Liabilities	**28,95.39**	**28,95.39**	30,66.80	30,66.80
Financial Liabilities measured at Fair Value through Profit and Loss Account				
Derivative Instruments	-	-	(2,93.67)	(2,93.67)
Financial Liabilities measured at Fair Value through Other Comprehensive Income				
Derivative Instruments	-	-	3,97.51	3,97.51

b) Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

1. The fair value of cash and cash equivalents, current trade receivables and payables, current loans, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The group considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the consolidated financial statements approximate their fair values. In respect of non current trade receivables and loans, fair value is determined by using discount rates that reflect the present borrowing rate of the group.
2. A substantial portion of the group's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the group.
3. Investments (other than Investments in Associates and Joint Venture being accounted based on equity method) traded in active market are determined by reference to the quotes from the Stock exchanges as at the reporting date. 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 debentures, bonds and government securities where the net present value at current yield to maturity have been considered. Unquoted investments in shares have been valued based on the historical net asset value as per the latest audited financial statements.
4. The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. These derivatives are estimated by using the pricing models, where the inputs to those models are based on readily observable market parameters, contractual terms, period to maturity, maturity parameters and foreign exchange rates. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from market rates. The said valuation has been carried out by the counter party with whom the contract has been entered with and management has evaluated the credit and non-performance risks associated with the counter parties and believes them to be insignificant and not requiring any credit adjustments.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

c) Fair value hierarchy

1 The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at balance sheet date:

Particulars	**As at March 31 2019**	**Fair value measurements at reporting date using**		
		Level 1	**Level 2**	**Level 3**
		Quoted Price in active market	**Significant observable inputs**	**Significant unobservable inputs**
Financial Assets				
Trade Receivables	**-** (1,28.40)	- -	- (1,28.40)	- -
Security Deposits	**13,86.56** (22,04.12)	- -	13,86.56 (22,04.12)	- -
Investment in Equity Instruments (Current)	**75.81** (84.15)	75.81 (84.15)	-	-
Investment in Equity Instruments other than Subsidiaries, Associates and Joint Venture (Non-Current)	**21,35.24** (34.57)	- -	- -	21,35.24 (34.57)
Derivative Instrument	**6,33.20** -		6,33.20 -	
Financial Liabilities				
Borrowings - fixed rate	**5,91,75.04** (6,84,23.79)	- -	5,91,75.04 (6,84,23.79)	- -
Derivative Instrument	**-** (1,03.84)	- -	- (1,03.84)	- -

(*) Figures in round brackets ( ) indicate figures as at March 31, 2018

2 During the year ended March 31, 2019 and March 31, 2018, there were no transfers between Level 1, Level 2 and Level 3.

3 The Inputs used in fair valuation measurement are as follows:

i) Fair valuation of Financial assets and liabilities not within the operating cycle of the Group is amortised based on the borrowing rate of the Group.

ii) Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The inputs used for forward contracts are Forward foreign currency exchange rates and Interest rates to discount future cash flow.

iii) Unquoted investments in shares have been valued based on the amount available to shareholder's as per the latest audited financial statements. There were no external unobservable inputs or assumptions used in such valuation.

d) Derivatives financial assets and liabilities:

Within the Group,derivatives instruments are largely entered into by the parent company. The parent company follows established risk management policies, including the use of derivatives to hedge its exposure to foreign currency fluctuations on foreign currency assets / liabilities. The counter party in these derivative instruments is a bank and the group considers the risks of non-performance by the counterparty as non-material.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

(i) The following tables present the aggregate contracted principal amounts of the parent Company's derivative contracts outstanding:

Underlying Purpose		Category	As at March 31, 2019		As at March 31, 2018		Currency
			No. of deals	**Amount in Foreign Currency**	No. of deals	Amount in Foreign Currency	
1	Export Receivables	Forward	**43**	**2,78,92,662**	36	2,76,17,906	USD/INR
2	Export Receivables	Forward	**15**	**62,37,714**	4	15,37,714	GBP/USD
3	Export Receivables	Forward	**1**	**5,00,000**	-	-	GBP/INR
4	Export Receivables	Forward	**18**	**95,74,224**	29	1,89,16,226	EURO/USD
5	Export Receivables	Forward	**18**	**1,08,21,557**	1	5,00,000	EURO/INR
6	Export Receivables	Forward	**5**	**20,00,000**	4	16,12,951	SGD/USD
7	Export Receivables	Forward	**2**	**9,95,858**	-	-	SGD/INR
8	Imports & Other payables	Forward	**13**	**1,89,72,666**	5	92,78,789	USD/INR
9	External Commercial Borrowings Principal & Interest payment	Forward	**-**	**-**	2	10,00,000	USD/INR
10	Buyers Credit	Option	**3**	**1,06,20,384**	6	1,45,79,772	USD/INR
11	External Commercial Borrowings Principal & Interest payment	Option	**4**	**2,00,00,000**	4	2,18,00,000	USD/INR
12	External Commercial Borrowings Interest payment	Interest Rate Swap	**14**	**2,72,00,000**	14	4,08,00,000	USD
13	External Commercial Borrowings Interest payment	Interest Rate Cap	**3**	**63,75,000**	3	76,50,000	USD
14	FCNR Loan Principal and Interest Payment	Currency and Interest Rate Swap	**-**	**-**	1	1,26,28,399	USD

(ii) Un hedged Foreign Currency exposures are as follows: -

Nature	**Currency**	**As at March 31, 2019**	As at March 31, 2018
Payables			
ECB Payable (include accrued interest)	USD	**1,29,73,394**	4,30,66,707
Buyer's Credit / Supplier's Credit /PCFC/Acceptances (includes accrued interest)	USD	**1,35,51,299**	74,19,626
Imports & Other payables	USD	**34,11,230**	39,57,988
Imports & Other payables	EURO	**96,052**	7,07,206
Imports & Other payables	GBP	**28,198**	32,369
Imports & Other payables	AED	**4,397**	5,68,412
Imports & Other payables	HKD		
Imports & Other payables	AUD		2,000
Receivable			
Exports & Other receivables	GBP	**-**	10,03,968
Exports & Other receivables	SGD	**1,29,283**	11,38,852
Exports & Other receivables	USD	**79,18,197**	91,06,901
Exports & Other receivables	EURO	**-**	26,38,133
Exports & Other receivables	AED	**-**	1,53,087

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

iii) The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one month	**(3,43.13)**	(1,24.02)
Later than one month and not later than three months	**26.35**	(60.87)
Later than three months and not later than one year	**6,65.57**	(1,03.77)
Later than one year	**2,84.41**	1,84.82

iv) The parent company has entered into USD INR Currency Swap to hedge both the principal and interest payments of the borrowing from bank amounting to USD 16.62 Mn. The critical terms of both the hedging instrument (i.e the Full currency swap) and the hedged item (i.e the borrowing) are closely aligned, thereby establishing an economic relationship between them. The Currency Swap is hence designated as hedging instrument in cash flow hedges. As the economic relationship ceases to exist during the year, cash flow hedge reserve has been transferred to statement of profit and loss.

v) The following table provides the reconciliation of cash flow hedge reserve:

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period	**(1,73.98)**	(3,64.68)
Gain/(loss) recognised in OCI during the period	**3,97.52**	3,67.32
Amount reclassified to Profit and Loss account during the period	**(1,30.07)**	(77.07)
Tax impact on above	**(93.46)**	(99.55)
Balance at the end of period	**-**	(1,73.98)

e) Sale of Financial Assets

In the normal course of business, the Group transfers its bill receivables to banks. Under the terms of the agreements, the Group surrenders control over the financial assets and the transfer is with recourse. Under arrangement with recourse, the Group is obligated to repurchase the uncollected financial assets, subject to limits specified in the agreement with banks. As at March 31, 2019 and March 31, 2018 the maximum amount of recourse obligation in respect of financial assets are Rs 46,70.54 lakhs and Rs. 29,04.98 lakhs respectively.

f) Financial Risk Factors

The Group's activities are exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The respective entity's Board of Directors reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

1 Market Risk

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instrument. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency denominated borrowings, trade receivables and trade or other payables. Each entity comprising the Group manages its own currency risk. The following explains the process followed by the company, being the largest component of the Group.

The group 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 group periodically reviews its risk management initiatives and also takes experts advice on regular basis on hedging strategy.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows:

As at March 31, 2019

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other Current Liabilities	Net Assets/ (Liabilities)
USD	**82,97.59**	**4,79,05.40**	**2,47,41.24**	**(6,43,49.05)**
EURO	**-**	**-**	**69.94**	**(69.94)**
GBP	**-**	**-**	**25.41**	**(25.41)**
SGD	**15,94.27**	**-**	**-**	**15,94.27**
AED	**-**	**-**	**0.83**	**(0.83)**
TOTAL	**98,91.86**	**4,79,05.40**	**2,48,37.41**	**(6,28,50.95)**

As at March 31, 2018

Particulars	Trade receivables	Loans and borrowings	Trade payables & Other Current Liabilities	Net Assets/ (Liabilities)
USD	53,85.40	7,16,75.19	2,02,87.41	(8,65,77.19)
EURO	-	-	5,56.50	(5,56.50)
GBP	-	-	29.56	(29.56)
SGD	13,68.24	-	-	13,68.24
AED	2.72	-	0.40	2.32
AUD	-	-	1.00	(1.00)
TOTAL	67,56.36	7,16,75.19	2,08,74.87	(8,57,93.70)

Derivative financial assets and liabilities dealing with outstanding derivative contracts and unhedged foreign currency exposure has been detailed in earlier paras. Unhedged foreign currency exposure is primarily on account of long term foreign currency borrowings for which hedge cover is taken as per the policy followed by the group depending upon the remaining period of maturity of the installments falling due for payment.

The following table demonstrates the sensitivity in the USD, Euro, GBP and other currencies to the Indian Rupee with all other variables held constant. The impact on the Group's profit/(loss) before tax in the fair value of monetary assets and liabilities is given below:

Particulars	Effect on Profit before tax	
	For the year ended March 31, 2019	For the year ended March 31, 2018
RECEIVABLES (Weakening of INR by 5%)		
USD	**2,73.77**	4,94.19
EURO	**-**	1,05.92
GBP	**-**	45.85
SGD	**3.30**	29.80
PAYABLES (Weakening of INR by 5%)		
USD	**(10,35.03)**	(17,91.76)
EURO	**(3.73)**	(28.39)
GBP	**(1.27)**	(1.48)

A 5% strengthening of INR would have an equal and opposite effect on the Group's consolidated financial statements.

ii) Interest rate risk

The Group's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the Group to the fair value interest rate risk. The Company comprising of the largest component of the Group has entered into interest rate swap contracts in respect of certain foreign currency borrowings whereby interest at an agreed rate are to be applied on agreed upon principal amount. The Group maintains a portfolio mix of fixed and floating rate borrowings. As

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

at March 31, 2019, after taking into account interest rate swaps, approximately 44.28% (March 31, 2018: 63.61%) of the company's borrowings become fixed rate interest borrowing

Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. These deposits are however generally for trade purposes as such do not cause material implication.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

Nature of Borrowing	**Increase in basis points**	**For the year ended March 31, 2019**	For the year ended March 31, 2018
Rupee Loan	+0.50	**4,39.57**	2,25.05
Borrowings in local currency by other entity of the Group	+0.25	**35.64**	33.63
Foreign Currency Loan	+0.25	**9.63**	27.85

A decrease in 0.50 basis point in Rupee Loan and 0.25 basis point in Foreign Currency Loan and Borrowings in local currency by other entity of the Group would have an equal and opposite effect on the Group's consolidated financial statements

iii) Other price risk

The Group is not an active investor in equity markets; it continue to hold certain investment for long term value accretion which are accordingly measured at fair value through other comprehensive income.Further, the company comprising of the largest component of the Group measures current investments at fair valued through profit and loss and are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

2 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables). Each entity comprising the Group, manages its own credit risks.The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Major water infrastructure projects are Government funded or foreign aided and the risk involved in payment default is minimum with respect to these customers. Export receivables primarily made from subsidiaries is covered under Credit Insurance. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly and the Group obtains necessary security including letter of credits and/or bank guarantee to mitigate.

The carrying amount of respective financial assets recognised in the consolidated financial statements, (net of impairment losses) represents the Group's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivables balance at the end of the year, there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2019 and March 31, 2018.

The Group extends credit to customers as per the internal credit policy. Any deviation are approved by appropriate authorities, after due consideration of the customers credentials and financial capacity, trade practices and prevailing business and economic conditions. The Group's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the customers etc. Group computes credit loss allowance based on a provision matrix based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise.

3 Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. Each entity comprising of the Group manages its liquidity risk. The Group's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. The Group's assets represented by financial instruments comprising of receivables, and those relating to Parbatpur Coal mines (refer note no. 48) are largely by borrowed funds funded against borrowed funds. The Group relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

i) Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows as at Balance Sheet date:

Interest rate and currency of borrowings

As at March 31, 2019)

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	**11,39,52.69**	**8,79,14.62**	**2,60,38.07**	**11.58%**
USD	**4,95,13.75**	**2,27,13.61**	**2,68,00.14**	**5.65%**
GBP	**48,43.71**	**48,43.71**	**-**	**2.95%**
EUR	**67,27.87**	**14,66.89**	**52,60.98**	**1.89%**
DZD	**10,75.85**	**-**	**10,75.85**	**6.00%**
Total	**17,61,13.87**	**11,69,38.83**	**5,91,75.04**	

As at March 31, 2018

Particulars	Total Borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average Interest Rate (%)
INR	8,45,98.61	4,50,10.29	3,95,88.32	11.45%
USD	7,31,70.91	5,07,10.90	2,24,60.01	5.31%
GBP	29,68.41	48,43.71	29,68.41	2.87%
EUR	74,95.04	40,88.00	34,07.04	2.37%
DZD	14,91.60	14,91.60	-	6.00%
Total	16,97,24.58	10,61,44.50	6,84,23.79	

Maturity Analysis of Financial Liabilities

As at March 31, 2019

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Interest bearing borrowings* (including current maturities)	**17,61,13.87**	**1,82,83.55**	**4,81,65.10**	**2,56,07.57**	**8,40,57.65**	**17,61,13.87**
Other Liabilities	**28,95.39**	**28,95.39**	**-**	**-**	**-**	**28,95.39**
Trade and other payables	**3,09,32.39**	**3,09,32.39**	**-**	**-**	**-**	**3,09,32.39**

* Include Rs 5716.87 lakhs as Prepaid Finance Charges.

As at March 31, 2018

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
"Interest bearing borrowings* (including current maturities)	17,05,81.83	92,12.66	5,46,34.21	2,14,07.54	8,53,27.42	17,05,81.83
Other Liabilities	30,66.80	30,66.80	-	-	-	30,66.80
Trade and other payables	3,38,43.77	3,38,43.77	-	-	-	3,38,43.77

* Include Rs 857.25 lakhs as Prepaid Finance Charges.

The Group has current financial assets which will be realised in ordinary course of business. The Group ensures that it has sufficient cash on demand to meet expected operational expenses.

The Group relies on mix of borrowings and operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

g) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Group is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Group.

The gearing ratio are as follows :

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	**17,61,13.87**	16,97,24.58
Less Cash and Cash Equivalents	**75,01.16**	93,05.77
Net Debt	**16,86,12.71**	16,04,18.81
Equity	**26,39,18.48**	24,79,08.85
Equity and Net Debt	**43,25,31.19**	40,83,27.66
Gearing Ratio	**0.39**	0.39

47. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on ''Employee Benefits'' are given below:

a) Defined Contribution Plans

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	**2,97.10**	2,86.60
Employer's Contribution to Pension Fund	**2,09.38**	2,07.98
Employer's Contribution to Superannuation Fund	**43.40**	44.66

b) Defined Benefit Plans

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.

		Gratuity (Funded)	
		2018–19	2017–18
i)	**Change in the fair value of the defined benefit obligation:**		
	Liability at the beginning of the year	**29,05.13**	27,47.75
	Interest Cost	**2,20.17**	2,06.56
	Current Service Cost	**1,75.33**	1,69.12
	Actuarial (gain) / loss on obligations	**(97.89)**	(53.18)
	Benefits paid	**(91.59)**	(1,65.12)
	Liability at the end of the year	**31,11.15**	29,05.13
ii)	**Changes in the Fair Value of Plan Asset**		
	Fair value of Plan Assets at the beginning of the year	**20,06.94**	16,98.18
	Expected Return on Plan Assets	**1,54.54**	1,31.64
	Contributions by the Company	**2,14.13**	3,65.50
	Benefits paid	**(91.59)**	(1,65.12)
	Actuarial gain / (loss) on Plan Assets	**20.16**	(23.26)
	Fair value of Plan Assets at the end of the year	**23,04.18**	20,06.94

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

		Gratuity (Funded)	
		2018–19	2017–18
iii)	**Actual return on Plan Asset**		
	Expected return on Plan assets	**1,54.54**	1,31.64
	Actuarial gain / (loss) on Plan Assets	**20.16**	(23.26)
	Actual Return on Plan Assets	**1,74.70**	1,08.38
iv)	**Amount Recognized in Balance Sheet**		
	Liability at the end of the year	**31,11.15**	29,05.13
	Fair value of Plan Assets at the end of the year	**23,04.18**	20,06.94
		8,06.97	8,98.19
v)	**Components of Defined Benefit Cost**		
	Current Service Cost	**1,75.33**	1,69.12
	Interest Cost	**2,20.17**	2,06.56
	Expected Return on Plan Assets	**(1,54.54)**	(1,31.64)
	Net Actuarial (gain) / loss on remeasurement recognised in OCI	**(1,18.05)**	(29.92)
	Total Defined Benefit Cost recognised in Profit and Loss and OCI	**1,22.91**	2,14.12
vi)	**Balance Sheet Reconciliation**		
	Opening Net Liability	**8,98.19**	10,49.57
	Expenses as above	**1,22.91**	2,14.12
	Employers Contribution	**(2,14.13)**	(3,65.50)
	Amount Recognized in Balance Sheet	**8,06.97**	8,98.19

vii) Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:

Particulars	**As at March 31, 2019**	As at March 31, 2018
G-Sec/ Corporate Securities	**85.80%**	81.99%
Equity	**3.02%**	3.33%
Fixed Deposit and other assets	**11.18%**	14.68%

Compensated Absences

The obligation for compensated absences is recognized in the same manner as gratuity except remeasurement benefit which is treated as part of OCI. The actuarial liability of Compensated Absences (unfunded) of accumulated privileged and sick leaves of the employees of the Company as at March 31, 2019 is given below:

Particulars	**As at March 31, 2019**	As at March 31, 2018
Privileged Leave	**13,38.97**	12,87.05
Sick Leave	**9,51.64**	8,50.70
Principal Actuarial assumptions as at the Balance Sheet date		
Discount Rate	**7.70%**	7.75%
Rate of Return on Plan Assets	**7.70%**	7.75%
Salary Escalation Rate	**6.00%**	6.00%
Withdrawal Rate	**1-8 %**	1-8 %
Rate of Return on Plan Assets	**7.70%**	7.75%

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. 1,50.00 lakhs (previous year Rs. 2,00.00 lakhs) to Gratuity fund in 2019-20.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Recognised in Other Comprehensive Income

Particulars	As at March 31, 2019	As at March 31, 2018
Remeasurement - Actuarial loss/(gain)	**1,88.18**	14.33
For the year ended March 31, 2019	**1,88.18**	14.33

Sensitivity Analysis :

Particulars	Change in Assumption	Effect in Gratuity Obligation
For the year ended 31st March, 2018		
Discount Rate	+1%	27,22.36
	-1%	31,13.16
Salary Growth Rate	+1%	31,12.25
	-1%	27,21.97
Withdrawal Rate	+1%	29,28.59
	-1%	28,79.12
For the year ended 31st March, 2019		
Discount Rate	**+1%**	**29,33.86**
	-1%	**33,48.20**
Salary Growth Rate	**+1%**	**33,46.54**
	-1%	**29,34.10**
Withdrawal Rate	**+1%**	**31,51.19**
	-1%	**31,02.39**

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

History of experience adjustments is as follows :

Particulars	Gratuity
For the year ended March 31, 2018	
Plan Liabilities - (loss)/gain	7.93
Plan Assets - (loss)/gain	23.26
For the year ended March 31, 2019	
Plan Liabilities - (loss)/gain	**96.00**
Plan Assets - (loss)/gain	**(20.16)**

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity
01 Apr 2018 to 31 Mar 2019	4,35.82
01 Apr 2019 to 31 Mar 2020	4,28.31
01 Apr 2020 to 31 Mar 2021	73.45
01 Apr 2021 to 31 Mar 2022	70.20
01 Apr 2022 to 31 Mar 2023	82.69
01 Apr 2023 Onwards	5,01.95

Particulars	As at March 31, 2019	As at March 31, 2018
Average no of people employed	**1532**	1577

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

48(a). 48 (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, had 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 March 31,2015. Accordingly, the same had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Company, the Hon'ble High Court at Delhi had pronounced it's judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.15,31,76.00 lakhs towards compensation against the said coal block now being allotted to SAIL, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company before the Hon'ble High Court, the Hon'ble Court had directed the Nominated Authority under Ministry of Coal to expedite the matter. The Hon'ble Court had further directed the Nominated Authority to take decisions within a specific time frame. During the year the Nominated Authority in its order has upheld its decision of the compensation paid earlier and the same has been contested by the company before the Hon'ble High Court and the matter is pending.

Pending finalisation of the matter as above :

(i) Rs.12,88,84.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the Company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective heads of account.

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs. 95,14.74 lakhs has been considered as other recoverable under current assets; and

(iii) Compensation of Rs. 83,12.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 20,54.70 lakhs have been adjusted. Bank guarantee amounting to Rs. 9,20.00 lakhs (previous year Rs. 9,20.00 lakhs) has been given against the compensation received.

Disclosures of above balances as per Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/settlement of the claim.

48(b). Various balances pertaining to Coal Block claim and handing over the same as detailed in different heads of accounts includes :

Particulars	**As at March 31, 2019**		As at March 31, 2018	
Inventories		**14,78.76**		14,78.76
Other current assets		**13,99.78**		13,99.78
Capital Work in Progress:				
Plant and Equipment and others assets under Installation (refer note no: 50)	**3,34,93.90**		3,34,93.90	
Mine Development including overburden removal expenses (Net) (refer note no: 51)	**8,69,09.74**	**12,04,03.64**	8,69,09.74	12,04,03.64
Other Property, Plant and Equipment		**22,43.99**		22,43.99
Capital Advance		**1,08.94**		1,08.94
Freehold Land		**32,49.00**		32,49.00
Other balances with Banks in Fixed Deposit Escrow Accounts	**5,36.93**		5,36.93	
Less: Provision for mine closure and restoration charges	**5,36.93**	**-**	5,36.93	-
Sub Total		**12,88,84.11**		12,88,84.11
Other Recoverable		**95,14.74**		95,14.74
Less: Compensation received		**(83,12.34)**		(83,12.34)
Less: Cenvat credit utilised/claimed/written off	**(13,99.78)**		(50.01)	
Less: Sale of Assets and other realisations	**(6,54.92)**	**(20,54.70)**	(6,54.92)	(7,04.93)
Total		**12,80,31.81**		**12,93,81.58**

48 (c) Due to reasons stated in note no. 48(a) and pending determination of the amount of the claim, balances under various heads which otherwise would have been measured and disclosed as per the requirements of various Indian Accounting Standard have been included under various heads as disclosed under note no. 48(b) considering the circumstances and objective of the financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

49 (a) Due to delay in grant of forest, environment and other clearances from various authorities and execution of mining lease of an area of 192.50 ha. by the State Government of Jharkhand for iron and manganese ores at Dirsumburu in Kodilabad Reserve Forest, Saranda of West Singhbhum, Jharkhand, the validity period of letter of intent granted in this respect has expired on January 11, 2017. The Company has filed a writ petition before the Hon'ble High Court of Jharkhand on January 10, 2017, praying inter-alia for direction for grant of said lease in favour of the Company. The Hon'ble High Court in its order while observed, being not averse in granting relief with respect to cut off date, has admitted the said petition & fixed the case for further hearing and adjudication. Pending decision of the High Court, Rs. 48,63.43 lakhs (net of Rs. 7,65.58 lakhs written off during the year) so far incurred in connection with these Mines/related facilities, have been carried forward under respective heads of fixed assets, capital work in progress, advances and security deposit.

49 (b) Capital work in progress and Security deposits includes a sum of Rs. 40,66.42 lakhs and Rs. 30.44 lakhs respectively towards amount incurred towards construction of railway siding in Haldia, West Bengal . The railway authorities have withdrawn permission for the railway siding .The company has filed a petition before the High Court at Calcutta for appointment of arbitrator to adjudicate the matter and the same is pending before the court. The company is also exploring alternative avenues to utilise the siding. Pending finalization of the matter, these assets have been carried forward at their existing carrying cost.

50. Capital work in progress includes plant and equipments and other assets amounting to Rs. 3,56,70.67 lakhs (previous year Rs. 3,22,13.31 lakhs) under installation and capital and other expenditure incurred pending completion thereof. (refer note no. 48 and 49)

51. 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 (refer note no. 48 and 49). The details of these expenses are as follows :

Particulars	**As at March 31, 2019**	As at March 31, 2018
Balance brought forward	**8,79,64.28**	8,81,24.11
Add:		
Miscellaneous Expenses (includes Rs. 19.60 lakhs related to previous year)	**21.46**	-
Total preoperative/development expenses	**8,79,85.74**	8,81,24.11
Add: Opening stock 64,502 MT(previous year 64,502 MT)	**14,46.25**	14,46.25
Less: Closing stock 64,502 MT(previous year 64,502 MT)	**(14,46.25)**	(14,46.25)
Less: Allocated/Transferred during the year to assets capitalised	**-**	(1,59.83)
Total preoperative and development expenses carried forward	**8,79,85.74**	8,79,64.28

52. Calculation of Earning Per Share is as follows :

	Particulars	**For the year ended March 31, 2019**	For the year ended March 31, 2018
(a)	Net profit for basic and diluted earnings per share as per Statement of Profit and Loss	**38,17.06**	1,24,02.88
	Net profit for basic and diluted earnings per share	**38,17.06**	1,24,02.88
(b)	Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Re. 1/- per share)		
	Number of equity shares outstanding as on 31st March	**405482183**	356955322
	Number of equity shares considered in calculating basic and diluted EPS	**386736190**	356955322
(c)	Weighted average number of equity shares outstanding	**386736190**	356955322
(d)	Earnings per share (EPS) of Equity Share of Re. 1 each:		
	i) Basic (Rs.)	**0.99**	3.47
	ii) Diluted (Rs.)	**0.99**	3.47

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

53. As regards construction contracts in progress as on March 31, 2019, aggregate amount of costs incurred and recognised profit (less recognized losses) upto the year end (to the extent ascertained by the management), aggregate amount of advances received and aggregate amount of retentions are Nil , Nil and Rs 1,28.41 lakhs respectively (previous year are Nil, Nil and Rs 1,28.41 lakhs respectively).

(i) The amount of contract revenue recognised as revenue Nil (previous year Rs.1,64.21 lakhs).

54. Commitments

Particulars	**As at March 31, 2019**		As at March 31, 2018	
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):		**9,39.60**		12,03.50
(b) Other commitments	**in million**	**Rs. in lakhs**	in million	Rs. in lakhs
i) Sell Forward contract outstanding				
In USD	**27.89**	**1,92,87.78**	27.62	1,79,98.59
In Euro	**20.40**	**1,58,20.10**	19.42	1,55,90.44
In GBP	**6.74**	**60,71.31**	1.54	14,04.48
In SGD	**3.00**	**15,28.32**	1.61	8,01.98
ii) Buy Forward Contract outstanding				
In USD	**18.97**	**1,31,19.60**	10.28	66,98.17
iii) Capital Commitment towards contribution in equity share capital of Electrosteel Algeria SPA		**11,82.25**		11,82.25

55.(i) Contingent Liabilities not provided for in respect of :

Particulars	**As at March 31, 2019**	As at March 31, 2018
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	**72,86.34**	81,74.19
ii) Excise, Custom Duty and Service tax	**52,07.54**	62,77.54
iii) Income Tax	**14,21.14**	50.46
b) Penalty for non compliance of listing agreement and disputed by the Company.	**1,00.00**	1,00.00
c) 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
d) Demand of Tamilnadu Electricity Board disputed by the Company.	**8.20**	8.20
e) 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
f) Standby Letter of Credit issued by banks on behalf of the company in favour of Subsidiary Companies	**83,26.83**	1,01,13.22
g) Financial Guarantees given by banks on behalf of the Company		
i) The Company	**42,36.91**	50,82.50
ii) The Subsidiary	**4,04.74**	4,18.31
h) Receivable factored	**32,56.91**	27,64.30

i) Demand of differential railway freight for the year 2008-09 to 2010-11 is Rs. 57,33.29 lakhs which is contested by the company and the matter is pending before the Hon'ble High Court at Calcutta.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

j) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to 31 March 2019 is not significant and has not been provided in the books of account. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

Note: The Group's pending litigations comprises of claim against the company and proceedings pending with Taxation/ Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed contingent liabilities, where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows, if any, in respect of (a) to (e), and (i) to (j)above is dependent upon the outcome of judgments / decisions.

55. (ii) Contingent Assets (not recognised for) in respect of :

Particulars	**As at March 31, 2019**	As at March 31, 2018
a) Claims Under Target Plus Scheme pending completion of legal clearances.	**3,55.00**	3,55.00
b) Claim of commission income from Electrosteel Steels Limited. The matter is pending before the National Company Law Tribunal at Kolkata.	**8,66.72**	-
b) Benefit under Industrial Promotion Scheme**	**Amount unascertainable**	Amount unascertainable

** Pre Goods & Service Tax (GST), the Company was enjoying certain benefits under Industrial Promotion scheme of state government. Post GST, pending notifications by the state government, on prudent basis, the company has not recognised any income under the scheme for the period July 01, 2017 to March 31, 2019.

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

56. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows:

A) Names of related parties and description of relationship

1) Associate Company	Srikalahasthi Pipes Limited Electrosteel Steels Limited (ceased to be associate w.e.f 06.06.2018) Electrosteel Thermal Power Limited
2) Joint Venture	North Dhadhu Mining Company Private Limited Domco Private Limited
3) Key Management Personnel (KMP) and close member of their family	Mr. Umang Kejriwal - Managing Director Mr. Mayank Kejriwal - Joint Managing Director Mr. Uddhav Kejriwal - Wholetime Director Mr. Mahendra Kumar Jalan - Wholetime Director Mr. Pradip Kr. Khaitan - Chairman Mr. Binod Kumar Khaitan -Director Mr. Ram Krishna Agarwal -Director Mr. S Y Rajagopalan - Director Mr. Vyas Mitre Ralli -Director Mr. Amrendra Prasad Verma - Director Dr. Mohua Banerjee- Director w.e.f. 08.02.2019 Mr. Sunil Katial - Chief Executive Officer w.e.f. 29.01.2019 Mr. Brij Mohan Soni-Chief Financial Officer Ms. Nityangi Kejriwal Jaiswal- Daughter of Mr. Umang Kejriwal -KMP (Director till 28.01.2019) Ms. Priya Manjari Todi -Daughter of Mr. Mayank Kejriwal - KMP,Sister of Mr Uddhav Kejriwal - KMP Ms. Priya Sakhi Kejriwal Mehta -Daughter of Mr Umang Kejriwal - KMP Ms. Radha Kejriwal Agarwal -Daughter of Mr Umang Kejriwal - KMP Mr. Madhav Kejriwal -Son of Mr Umang Kejriwal - KMP Mr. Anirudh Jalan -Son of Mr Mahendra Kumar Jalan - KMP
4) Enterprise where KMP and/or Close member of the family have control	Gaushree Enterprises Tulsi Highrise Private Limited Sri Gopal Investments Ventures Ltd. Global Exports Ltd. Ultimo Logistics Private Limited Krsna Logistics Private Limited Sree Khemisati Constructions Private Limited G K & Sons Private Limited Electrosteel Thermal Coal Limited Badrinath Industries Ltd. Electrocast Sales India Limited Uttam Commercial Company Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

B) Related Party Transactions

Particulars	Associate	Joint Venture	KMP & Close members of family	KMP have control	Total	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018
Sale							
Srikalahasthi Pipes Limited	2,84.19	-	-	-	2,84.19	-	-
Total	**2,84.19**	**-**	**-**	**-**	**2,84.19**	**-**	**-**
Previous Year							
Electrosteel Steels Limited	61,18.53	-	-	-	61,18.53	-	28,98.92
Srikalahasthi Pipes Limited	4,04.03	-	-	-	4,04.03	-	2.88
Purchase							
Srikalahasthi Pipes Limited	1,07,30.54	-	-	-	1,07,30.54	14,68.58	-
Total	**1,07,30.54**	**-**	**-**	**-**	**1,07,30.54**	**14,68.58**	**-**
Previous Year							
Srikalahasthi Pipes Limited	17,98.35	-	-	-	17,98.35	-	2,89.72
Electrosteel Steels Limited	57,34.17	-	-	-	57,34.17	-	-
Remuneration							
Mr. Umang Kejriwal	-	-	2,98.56	-	2,98.56	(9.62)	-
Mr. Mayank Kejriwal	-	-	13.09	-	13.09	-	-
Mr. Uddhav Kejriwal	-	-	1,29.89	-	1,29.89	(21.49)	-
Mr. Mahendra Kumar Jalan	-	-	1,63.41	-	1,63.41	-	-
Mr. Sunil Katial	-	-	34.32	-	34.32	-	-
Mr. Brij Mohan Soni	-	-	76.50	-	76.50	-	-
Ms. Priya Manjari Todi	-	-	17.89	-	17.89	-	-
Ms. Priya Sakhi Kejriwal Mehta	-	-	5.83	-	5.83	-	-
Ms. Radha Kejriwal Agarwal	-	-	11.64	-	11.64	-	-
Mr. Madhav Kejriwal	-	-	4.60	-	4.60	-	-
Ms. Nityangi Kejriwal Jaiswal	-	-	7.80	-	7.80	-	-
Dr. Mohua Banerjee	-	-	1.00	-	1.00	-	-
Mr. Ram Krishna Agarwal	-	-	8.60	-	8.60	-	-
Mr. Vyas Mitre Ralli	-	-	4.10	-	4.10	-	-
Mr. S Y Rajagopalan	-	-	5.80	-	5.80	-	-
Mr. Binod Kumar Khaitan	-	-	10.00	-	10.00	-	-
Mr. Pradeep Kr. Khaitan	-	-	6.80	-	6.80	-	-
Mr. Amrendra Prasad Verma	-	-	6.00	-	6.00	-	-
Total	**-**	**-**	**8,05.83**	**-**	**8,05.83**	**(31.11)**	**-**
Previous Year							
Mr. Umang Kejriwal	-	-	2,41.59	-	2,41.59	-	(70.92)
Mr. Mayank Kejriwal	-	-	19.96	-	19.96	-	(61.50)
Mr. Uddhav Kejriwal	-	-	1,06.54	-	1,06.54	-	(29.01)
Mr. Mahendra Kumar Jalan	-	-	1,57.65	-	1,57.65	-	-
Mr. S.Y.Ganapathy	-	-	16.51	-	16.51	-	-
Mr. Brij Mohan Soni	-	-	72.18	-	72.18	-	-
Ms. Priya Manjari Todi	-	-	7.00	-	7.00	-	-
Ms. Priya Sakhi Kejriwal Mehta	-	-	3.95	-	3.95	-	-
Ms. Nityangi Kejriwal Jaiswal	-	-	7.50		7.50	-	6.00

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	Associate	Joint Venture	KMP & Close members of family	KMP have control	Total	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018
Mr. Ram Krishna Agarwal	-	-	17.10	-	17.10	-	12.00
Mr. Vyas Mitre Ralli	-	-	8.10	-	8.10	-	6.00
Mr. S Y Rajagopalan	-	-	9.40	-	9.40	-	6.00
Mr. Binod Kumar Khaitan	-	-	12.30	-	12.30	-	6.00
Mr. Pradeep Kr. Khaitan	-	-	10.30	-	10.30	-	6.00
Mr. Amrendra Prasad Verma	-	-	8.50	-	8.50	-	6.00
Rent Paid							
Tulsi Highrise Private Limited	-	-	-	52.01	52.01	-	-
Sri Gopal Investments Ventures Ltd	-	-	-	21.00	21.00	-	-
Sree Khemisati Constructions Private Limited	-	-	-	7.20	7.20	-	-
Badrinath Industries Limited	-	-	-	30.00	30.00	-	-
Total	**-**	**-**	**-**	**1,10.21**	**1,10.21**	**-**	**-**
Previous Year							
Tulsi Highrise Private Limited	-	-	-	52.01	52.01		-
Sri Gopal Investments Ventures Ltd	-	-	-	21.00	21.00		-
Sree Khemisati Constructions Private Limited	-	-	-	7.20	7.20		-
Badrinath Industries Limited	-	-	-	30.00	30.00		-
Service Charges Paid							
Sree Khemisati Constructions Private Limited	-	-	-	2,69.71	2,69.71	4.37	
Krsna Logistics Private Limited	-	-	-	-	-	1.20	
Global Exports Ltd.	-	-	-	90.00	90.00	-	
Mr. Anirudh Jalan	-	-	1.20	-	1.20	-	
Sri Gopal Investments Ventures Ltd	-	-	-	2.19	2.19	-	
Total	**-**	**-**	**1.20**	**3,61.90**	**3,63.10**	**5.57**	
Previous Year							
Ultimo Logistics Pvt. Ltd.	-	-	-	1,35.53	1,35.53		-
Sree Khemisati Constructions Private Limited	-	-	-	2,71.66	2,71.66		4.37
Krsna Logistics Private Limited	-	-	-	1,68.12	1,68.12		1.20
Global Exports Ltd.	-	-	-	90.00	90.00		-
Mr. Anirudh Jalan	-	-	1.80	-	1.80		0.15
Sri Gopal Investments Ventures Ltd	-	-	-	2.76	2.76		0.11
Service Charges Received							
Electrosteel Steels Limited	1,09.67	-	-	-	1,09.67	-	
Total	**1,09.67**	**-**	**-**	**-**	**1,09.67**	**-**	
Previous Year							
Electrosteel Steels Limited	2,10.21	-	-	-	2,10.21		4,65.93
Reimbursements of expenses received							
Srikalahasthi Pipes Limited	12.03	-	-	-	12.03	-	
Total	**12.03**	**-**	**-**	**-**	**12.03**	**-**	
Previous Year							
Srikalahasthi Pipes Limited	13.67	-	-	-	13.67		-
Electrosteel Steels Limited	-	-	-	-	-		5.89
Security Deposits							
Sri Gopal Investments Ventures Ltd	-	-	-	-	-	10.50	
Electrosteel Thermal Coal Limited	-	-	-	-	-	1,89.68	

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Particulars	Associate	Joint Venture	KMP & Close members of family	KMP have control	Total	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018
Tulsi Highrise Private Limited	-	-	-	-	-	2,85.00	
Total	**-**	**-**	**-**	**-**	**-**	**4,85.18**	
Previous Year							
Sri Gopal Investments Ventures Ltd	-	-	-	1.50	1.50	-	10.50
Electrosteel Thermal Coal Limited	-	-	-	-	-	-	1,89.68
Tulsi Highrise Private Limited	-	-	-	-	-	-	2,85.00
Dividend Received							
Srikalahasthi Pipes Limited	11,58.07	-	-	-	11,58.07	-	
Total	**11,58.07**	**-**	**-**	**-**	**11,58.07**	**-**	
Previous Year							
Srikalahasthi Pipes Limited	11,58.07	-	-	-	11,58.07		-
Rent Receipts							
Previous Year							
Electrosteel Steels Limited	0.15	-	-	-	0.15		-
Advances Given							
Electrosteel Thermal Coal Limited	-	-	-	-	-	1.00	
Total	**-**	**-**	**-**	**-**	**-**	**1.00**	
Previous Year							
Electrosteel Steels Limited	-	-	-	-	-		1,77,80.51
Electrosteel Thermal Power Limited	-	-	-	-	-		5.27
Electrosteel Thermal Coal Limited	-	-	-	-	-		1.00
Advances Taken							
Srikalahasthi Pipes Limited	50,00.00	-	-	-	50,00.00	48,16.18	
Total	**50,00.00**	**-**	**-**	**-**	**50,00.00**	**48,16.18**	
Previous Year							
Interest Paid							
Srikalahasthi Pipes Limited	230.14	-	-	-	2,30.14	-	
Total	**2,30.14**	**-**	**-**	**-**	**2,30.14**	**-**	
Previous Year							
Equity Share contribution							
Electrocast Sales India Ltd.	-	-	-	10,00.00	10,00.00	-	
Uttam Commercial Co Ltd	-	-	-	10,00.00	10,00.00	-	
G.K. & Sons Pvt. Ltd.	-	-	-	20,00.00	20,00.00	-	
Total	-	-	-	**40,00.00**	**40,00.00**	-	
Previous Year							
Employee Welfare Expenses							
Gaushree Enterprises	-	-	-	0.37	0.37	-	
Total	**-**	**-**	**-**	**0.37**	**0.37**	**-**	
Previous Year							
Gaushree Enterprises	-	-	-	0.11	0.11		0.11

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

C. Details of compensation paid to KMP during the year are as follows :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	**6,98.63**	5,78.98
Post-employment benefits	**-**	-
Other long-term benefits	**-**	-

*Post -employment benefits and other long-term benefits is being disclosed based on actual payment made on retirement /resignation of services, but does not includes provision made on actuarial basis as the same is available for all employees together.

D. Terms and conditions of transactions with related parties

a. The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms

b. The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.

c. The remuneration of directors is determined by the Nominations & Remuneration Committee having regard to the performance of individuals and market trends.

56.1 in respect of the above parties, there is no provision for doubtful debts as on March 31,2019 and no amount has been written off or written back during the year in respect of debt due from/to them.

56.2 The above related party information is as identified by the management.

56.3 Details of Loans, Investments and Guarantees covered u/s 186(4) of the Companies Act, 2013:

a) Details of Loans and Investments are given under the respective heads (refer note no. 7,7A, 13 and 19.2).

b) Details of Corporate Guarantee/ Standby Letter of Credit given by the Company are as follows:

Name of the Company	Date of Undertaking	Purpose	As at March 31, 2019	As at March 31, 2018
Electrosteel Europe SA	August 12, 2015	Short Term Loan Facility	**23,26.97**	24,05.10
	August 12, 2015	Short Term Loan Facility	**10,85.92**	11,22.38
Electrosteel Algerie SPA	March 30, 2016	Working capital facility	**13,83.00**	17,59.59
Electrosteel Castings (UK) Ltd.	May 31, 2015	Short Term Loan Facility	**-**	13,70.10
	January 1, 2018	Short Term Loan Facility	**18,02.19**	18,26.80
Electrosteel USA LLC	August 20, 2016	Working capital facility	**17,28.75**	16,29.25

57. 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	2018-19			2017-18		
	Within India	**Outside India**	**Total**	Within India	Outside India	Total
Sales (gross)	**12,96,93.90**	**13,55,64.66**	**26,52,58.56**	13,83,93.99	8,52,50.29	22,36,44.28
Non–Current Assets other than financial instruments	**28,17,80.90**	**54,54.17**	**28,72,35.07**	28,28,10.89	55,56.31	28,83,67.20

58. In accordance with the requirements of Ind AS, revenue from operations for the year ended March 31, 2019 is net of Goods and Service Tax (GST). However revenue for the year ended March 31, 2018 being inclusive of excise duty (only for quarter ended June, 2018) are not comparable with corresponding figures.

59. The company has opted for continuing accounting policy in respect of exchange difference arising on reporting of long term foreign currency monetary items in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". Accordingly, during the year ended

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

31st March 2019 the net exchange difference of Nil [previous year Rs. 7.12 lakhs] on foreign currency loans have been adjusted in the carrying amount of fixed assets / capital work in progress. The unamortised balance is Rs 2,64,39.70 lakhs (previous year Rs 2,66,33.54 lakhs).

60. The Board of Directors of the Company, at its meeting held on August 11, 2014 had approved the Scheme of Amalgamation ("the Scheme") of its wholly owned subsidiary, Mahadev Vyapaar Pvt Ltd with the Company with effect from April 1, 2014 ("Appointed Date"). Mahadev Vyapaar Pvt Ltd had filed an application before the Hon'ble High Court at Calcutta, which has sanctioned the said Scheme. The matter is pending before National Company Law Tribunal, Cuttack Bench ("NCLT"). No effect of the Scheme has therefore been given in these financial statements.

61. The financial statements of Electrosteel Brasil Ltda. Tubos e Conexoes Duteis for the year ended 31st March, 2019 has not been subjected to audit by their auditor.

62. Disclosure of additional information pertaining to the Parent Company, Subsidiaries and Associates as per Schedule III of Companies Act, 2013

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2018-19		2018-19		2018-19		2018-19	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Profit/Loss	As % of Consolidated net assets	Other Comprehensive Income	As % of Consolidated net assets	Total Comprehensive Income
Parent	90.13	23,78,09.96	(16,65.83)	(6,35,85.80)	90.03	(3,32.30)	(18,53.79)	(6,39,18.11)
Subsidiaries								
Indian								
Mahadev Vyapaar Pvt Ltd	0.61	16,02.09	0.23	8.90	-	-	0.26	8.90
Foreign								
Electrosteel Castings (UK) Limited	0.71	18,60.66	16.50	6,29.99	7.41	(27.34)	17.48	6,02.65
Electrosteel Europe S.A.	2.23	58,87.21	5.63	2,14.77	62.63	(2,31.14)	(0.47)	(16.37)
Electrosteel Algeria SPA	0.47	12,34.40	11.10	4,23.85	2.78	(10.25)	12.00	4,13.60
Electrosteel USA, LLC	0.60	15,83.81	23.31	8,89.59	(8.42)	31.06	26.70	9,20.65
Electrosteel Trading, S.A.	0.04	96.33	0.13	4.95	0.89	(3.27)	0.05	1.68
Electrosteel Doha For Trading LLC	0.80	21,19.56	34.71	13,24.81	(11.53)	42.57	39.66	13,67.38
Electrosteel Castings Gulf FZE	0.60	15,81.21	2.25	85.72	(26.92)	99.34	5.37	1,85.06
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	(0.03)	(79.67)	0.01	0.29	(0.83)	3.07	0.10	3.36
Electrosteel Bahrain Holding Company S.P.C	0.58	15,42.67	9.08	3,46.43	(17.78)	65.63	11.95	4,12.05
Non controlling interest in all subsidiaries	(0.02)	(65.87)	(1.28)	(48.75)	-	-	(1.41)	(48.75)
Associates (Investment as per Equity method)								
Indian								
Srikalahasthi Pipes Limited	25.09	6,61,91.77	1,21.03	46,19.96	1.75	(6.45)	1,33.80	46,13.51
Electrosteel Steels Limited	-	-	-	-	-	-	-	-
Electrosteel Thermal Power Limited	-	0.82	-	(0.08)	-	-	-	(0.08)
Joint Ventures (Investment as per Equity method)								
Indian								
North Dhadhu Mining Company Private Limited	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2019 *(Contd.)*

(Amount Rs. in lakhs)

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	2017-18		2017-18		2017-18		2017-18	
	As % of Consolidated net assets	Net Assets	As % of Consolidated net assets	Profit/Loss	As % of Consolidated net assets	Other Comprehensive Income	As % of Consolidated net assets	Total Comprehensive Income
Parent	1,16.67	28,91,94.60	37.89	46,98.68	(22.18)	1,94.04	42.44	4,892.72
Subsidiaries								
Indian								
Mahadev Vyapaar Pvt Ltd	0.64	15,93.20	0.07	8.42	-	-	0.07	8.42
Foreign								
Electrosteel Castings (UK) Limited	0.51	12,58.01	(0.92)	(1,14.18)	69.77	(6,10.27)	(6.28)	(7,24.45)
Electrosteel Europe S.A.	2.38	59,03.57	9.64	11,95.72	96.64	(8,45.25)	3.04	3,50.47
Electrosteel Algeria SPA	0.33	8,20.80	0.75	92.61	(37.11)	3,24.62	3.62	4,17.23
Electrosteel USA, LLC	0.27	6,63.16	1.00	1,24.64	(4.67)	40.81	1.44	1,65.45
Electrosteel Trading, S.A.	0.04	94.65	0.07	8.53	(1.40)	12.21	0.18	20.73
Electrosteel Doha For Trading LLC	0.31	7,72.78	4.25	5,27.32	(2.14)	18.68	4.74	5,46.00
Electrosteel Castings Gulf FZE	0.56	13,96.15	0.17	20.65	(0.52)	4.59	0.22	25.24
Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	(0.03)	(83.04)	(0.05)	(6.46)	1.28	(11.20)	(0.15)	(17.66)
Electrosteel Bahrain Holding Company S.P.C	0.46	11,30.61	3.73	4,63.01	1.40	(12.23)	3.91	4,50.79
Non controlling interest in all subsidiaries	(0.02)	(37.72)	(0.13)	(16.38)	-	-	(0.14)	(16.38)
Associates (Investment as per Equity method)								
Indian								
Srikalahasthi Pipes Limited	25.31	6,27,36.31	47.22	58,56.60	(1.07)	9.34	50.89	58,65.93
Electrosteel Steels Limited	-	-	-	-	-	-	-	-
Electrosteel Thermal Power Limited	-	0.90	-	(0.07)	-	-	-	(0.07)
Joint Ventures (Investment as per Equity method)								
Indian								
North Dhadhu Mining Company Private Limited	0.34	8,38.13	0.01	1.02	-	-	0.01	1.02

63.1 The financial statements of Domco Private Limited and North Dhadhu Mining Company Private Limited have not been consolidated for reasons referred to in note no. 7.2 & 7.3 .

63.2. Figures given herein above are as per standalone financial statements of the respective companies and hence effect of inter company and other adjustments carried out on consolidation has not been considered for the purpose of above disclosure.

64. These consolidated financial statements have been approved by the Board of Directors of the Company on May 15, 2019 for issue to the shareholders for their adoption.

65. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

As per our report of even date
For Singhi & Co.
Chartered Accountants
(Firm Registration No. 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 15, 2019

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN : 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN : 00311883)

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Consolidated Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Amount Rs. in lakhs)

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1.	Turnover / Total income	275634.58	Not Ascertainable
2.	Total Expenditure	259791.31	
3.	Net Profit/(Loss) (including other comprehensive income)	3496.72	
4.	Earnings Per Share	0.99	
5.	Total Assets	542140.98	
6.	Total Liabilities	278222.50	
7.	Net Worth (Equity Share Capital plus Other Equity)	263918.48	
8.	Any other financial item(s) (as felt appropriate by the management)	–	–

II. **Audit Qualification (each audit qualification separately) :**

a. **Details of Audit Qualification :**

Attention has been drawn by the Auditors' under Para 3 of the Auditors' Report to the following notes of the financial results for the quarter and year ended 31st March 2019 -

Para 3: Note no. 4 in respect to cancellation of coal block allotted to the company in earlier years and non-recognition of the claims receipt thereof & non-carrying of any adjustment in the books of accounts for the reasons stated in the note. Pending finalisation of the matter & as the matter is sub judice, disclosures as per Indian Accounting standard will be given effect on final settlement of the matter & the balances appearing in the books of accounts in respect to such coal block have been carried forward at their carrying cost and disclosed as capital work in progress, property plant & equipment, inventories and other heads of account. The impact and consequential adjustment thereof are not presently ascertainable.

Para 3: Note No. 7 in respect to Holding Company's investment amounting to Rs. 1653.76 lakhs in Electrosteel Steels Limited (ESL), the pledge of which was invoked by the lenders of ESL and the same has been set aside by the Hon'ble High Court at Calcutta. The plea of the company to release the pledge is pending before the Hon'ble Calcutta High Court. Further certain fixed assets of Elavur plant of the Company which are mortgaged in favour of a Lender of ESL, who has assigned their rights to another entity which has been disputed by the company as enumerated in the note. Above exposures have been carried forward at their existing carrying value & no impairment has been provided in respect to above and the impact of which is not presently ascertainable.

b. **Type of Audit Qualification:** Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~.

c. **Frequency of qualification:** Whether appeared first time / repetitive / since how long continuing – Note no. 4 since financial year 2014-15 and Note no. 7 since financial year 2017-18.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :** N.A

e. **For Audit Qualification(s) where the impact is not quantified by the auditor :**

(i) **Management's estimation on the impact of audit qualification :** N.A

(ii) **If management is unable to estimate the impact, reasons for the same:**

Para 3a – 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, had 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 March 31, 2015. Accordingly, the said block had been handed over to Bharat Coking Coal Limited (BCCL) as per the direction from Coal India Ltd. (CIL) with effect from April 01, 2015 and the same has been subsequently allotted to Steel Authority of India Limited (SAIL).

Following a petition filed by the Company, the Hon'ble High Court at Delhi has pronounced it's judgement on March 09, 2017. Accordingly based on the said judgement, the Company has claimed Rs.153176.00 lakhs towards compensation against the said coal block, acceptance whereof is awaited. Aggrieved due to delay in acceptance of claim, on a petition filed by the Company before the Hon'ble High Court, the Hon'ble Court had directed the Nominated Authority under Ministry of Coal to expedite the matter. The Hon'ble Court has further directed the Nominated Authority to take decisions within a specific time frame. During the quarter the Nominated Authority in its order has upheld its decision of the compensation paid earlier and the same has been contested by the company before the Hon'ble High Court and the matter is pending.

Pending finalisation of the matter as above;

(i) Rs.128884.11 lakhs incurred pertaining to the coal block till March 31, 2015 after setting off income, stocks etc. there against as per the accounting policy then followed by the company has been continued to be shown as freehold land, capital work in progress, other fixed assets and other respective head of accounts;

(ii) Interest and other finance cost for the year ended March 31, 2016 against the fund borrowed and other expenses directly attributable in this respect amounting to Rs.9514.74 lakhs has been considered as other recoverable under current assets; and

(iii) Compensation of Rs. 8312.34 lakhs so far received and net realisations/claims against sale of assets, advances, input credits etc. amounting to Rs. 2054.70 lakhs have been adjusted.

Disclosure as per Indian Accounting Standard and adjustments arising with respect to above will be given effect to on final acceptance/ settlement of the claim.

Para 3b - In view of approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated August 10, 2018 and pursuant to issuance of additional Equity Shares by Electrosteel Steels Limited (ESL) for giving impact of the resolution plan, ESL had ceased to be an associate of the Company during the quarter ended June 30, 2018. To comply with the requirements of Ind AS 109 "Financial Instruments", the Company had fair valued the investment in ESL and a sum of Rs. 57868.38 lakhs representing difference between the carrying value of said investment and fair value on the date of change of status was considered as exceptional item in statement of Profit and Loss in the quarter ended June 30, 2018.

The Company had elected the option under the said Ind AS to present the subsequent fair value changes of the said investment through Other Comprehensive Income. Further in terms of the approved resolution plan, advances and trade receivable amounting to Rs. 21121.70 lakhs receivable from ESL was written off during the quarter ended September 2018 shown as exceptional item in the statement of Profit and Loss.

During the previous quarter, shares of ESL were delisted and Vedanta Star Limited (holding company of ESL) has made an exit offer to the shareholders of ESL at a price of Rs. 9.54 per share which is open till December 20,2019. In view of non-availability of fair value of shares of ESL due to delisting, the Company has considered the exit price as the basis of valuation of Investment in ESL.

Further 1,73,34,999 equity shares of Rs. 10 each in ESL amounting to Rs. 1653.76 lakhs as on March 31, 2019 are pledged with the lenders of the ESL. The consortium of the lenders of ESL had issued notice for the invocation of pledged shares which has been disputed by the Company and on the plea filed by the Company, the Hon'ble High Court of Calcutta has set aside the notices issued by the lenders. The Company's plea for release of the pledge is pending before the Hon'ble Court.

One of the lenders of ESL in whose favour the Company had mortgaged certain Land & Building amounting to Rs. 29571.05 lakhs of the Company situated at Elavur, Tamilnadu, has assigned its rights in favour of another entity which has been disputed by the company. Pending settlement of the matter, these assets have been carried forward at their carrying book value.

(iii) Auditors' Comments on (i) or (ii) above :

As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the management and as such cannot be commented upon by us.

III. Signatories :

CEO/Managing Director	Umang Kejriwal *Managing Director*
CFO	Brij Mohan Soni *Chief Financial Officer*
Audit Committee Chairman	Binod Kumar Khaitan *Audit Committee Chairman*
Statutory Auditor	For Singhi & Co *Chartered Accountants* Firm's Registration No.: 302049E
	Gopal Jain *(Partner)* Membership No: 59147

Place : Kolkata
Date : May 15, 2019

Notes

Notes

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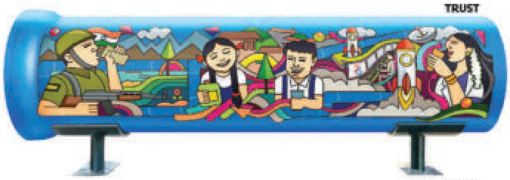
ELECTROSTEEL

PIONEERING 25 YEARS OF DI PIPES

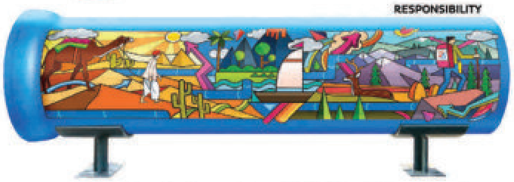
CELEBRATING MILESTONES THROUGH MASTERPIECES

TRUST



INNOVATION

RESPONSIBILITY



At Electrosteel, we are celebrating 25 years of pioneering Ductile Iron Pipes in India.

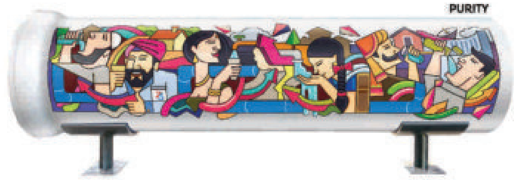
To celebrate our glorious journey, we initiated the "Inspiration Canvas" – an art project that uses our pipes as a canvas to depict our values of **Trust, Innovation, Responsibility, Purity and Expanding Boundaries.**

It all began when we asked for participation, and entries just started pouring in! Having selected our best artists, we gave them themes to paint under the able guidance of a professional artist. What followed were these beautiful expressions of art and creativity on our pipes.

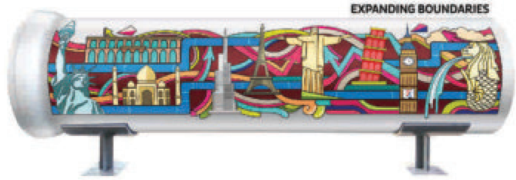
We have given these art installations pride of place at our establishments, where they will be preserved for posterity. These pieces of art stand testimony to the pioneering spirit that makes us who we are.

#technologythatcares

PURITY



EXPANDING BOUNDARIES



ELECTROSTEEL CASTINGS LIMITED

CIN : L27310OR1955PLC000310
Registered Office : Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017, India
Tel : +91 06624 220 332; **Fax :** +91 06624 220 332
Corporate Office : G. K. Tower, 19 Camac Street, Kolkata 700 017, India
Tel : +91 033 2283 9990; **Fax :** +91 033 2289 4339
Website : www.electrosteelcastings.com; **E-mail :** companysecretary@electrosteel.com

NOTICE

Notice is hereby given that the Sixty-fourth Annual General Meeting of the Members of Electrosteel Castings Limited will be held on Friday, 20 September 2019 at 11.30 a.m at the Registered Office of the Company at Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017, to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon.

2. To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March 2019 together with the Report of the Auditors thereon.

3. To appoint Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the consent of the Members be and is hereby accorded to re-appoint Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), Non-Executive Director of the Company, aged 84 years, who retires by rotation and being eligible offers himself for re-appointment, as a Director of the Company."

4. To appoint a Director in place of Mr. Uddhav Kejriwal (DIN: 00066077), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Ratification of remuneration of M/s. S G & Associates, Cost Auditors of the Company for the Financial Year 2019-20.

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Company hereby ratifies the remuneration of Rs.1,20,000/- (Rupees One Lakh Twenty Thousand Only) plus applicable taxes and re-imbursement of out-of-pocket expenses as approved by the Board of Directors and payable to M/s. S G & Associates, Cost Accountants in Practice (Firm Registration No.: 000138), who are appointed as the Cost Auditors of the Company to conduct audit of the cost records maintained by the Company for the Financial Year ending 31 March 2020.

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

6. Appointment of Dr. Mohua Banerjee (DIN: 08350348) as an Independent Director of the Company.

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and relevant Rules made thereunder, read with Schedule IV to the Act [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Dr. Mohua Banerjee (DIN: 08350348), who was appointed as an Additional Director (Independent) of the Company with effect from 8 February 2019 and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose Dr. Mohua Banerjee as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years with effect from 8 February 2019."

7. Payment of remuneration to Mr. Mayank Kejriwal (DIN: 00065980), Joint Managing Director of the Company for the period from 1 April 2020 to 31 March 2022.

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

"RESOLVED THAT further to the ordinary resolution passed by the Members at their meeting on 15 September 2017 approving the re-appointment and remuneration of Mr. Mayank Kejriwal (DIN: 00065980) as the Joint Managing Director of the Company for a period of 5 (five) years with effect from 1 April 2017 and pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], read with Schedule V to the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and all guidelines and clarifications for managerial remuneration issued by the Ministry of Corporate Affairs from time to time and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be necessary, consent of the Members be and is hereby accorded for payment of the following remuneration and perquisites for a period of 2 (two) years to Mr. Mayank Kejriwal, Joint Managing Director of the Company with effect from 1 April 2020:

Salary (including Dearness Allowance)
Rs.25,000/- per month with such revisions as may be determined by the Board of Directors (hereinafter referred to as "Board", which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) from time to time.

Commission
Commission on the net profits of the Company for the relevant financial year computed in the manner laid down under Section 198 of the Act, subject to the overall ceilings stipulated in Section 197 read together with Schedule V of the Act. The commission payable shall be approved by the Board at the end of the relevant financial year taking into account all other factors.

Perquisites

Housing
Free furnished residential accommodation or House Rent Allowance upto 50% of salary in lieu thereof. Expenditure incurred on gas, water, electricity, caretaker, staff, etc., will be borne by the Company, subject to Income Tax Rules.

Medical Reimbursement
Reimbursement of actual expenses incurred for self and family.

Leave Travel Concession
For self and family in accordance with the Rules of the Company applicable to the senior executives.

Club Fees
Reimbursement of Membership fees for two Clubs including admission and life membership fee.

Contribution to Provident Fund and Superannuation / Annuity Fund
The Company's contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company applicable to the senior executives.

Gratuity
As per Rules of the Company applicable to the senior executives.

Leave Pay
Leave with full pay and allowances as per the Rules of the Company.

Conveyance
A Company maintained Car will be provided for use in the Company's business. Use of Car for personal purpose shall be billed to him separately.

Telephone and other Communication Facilities
The Company shall provide telephone and other communication facilities at the residence of Mr. Kejriwal. Use of personal long distance calls shall be billed to him separately.

Personal Accident & Term Insurance
Premium not to exceed Rs.1,00,000 per annum.

Other benefits, amenities and facilities as per Company's Rules.

Subject to overall remuneration mentioned hereinabove, Mr. Kejriwal may be given any other allowances, benefits and perquisites as the Board may from time to time decide.

Perquisites shall be evaluated as per the Income Tax Rules, 1962, wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.

MINIMUM REMUNERATION

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of Mr. Mayank Kejriwal, the Company will pay salary, perquisites and other allowances as specified above as the minimum remuneration.

RESOLVED FURTHER THAT all other terms and conditions relating to the re-appointment and remuneration payable to Mr. Mayank Kejriwal as approved by the Members at their meeting held on 15 September 2017 is modified only to the extent mentioned above.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board so authorised by it, be and are hereby authorised to alter and vary the terms and conditions of the appointment including the remuneration, as may be agreed between the Board of Directors and Mr. Mayank Kejriwal and / or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Act and the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force].

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

8. Re-appointment of Mr. Mahendra Kumar Jalan (DIN: 00311883) as the Whole-time Director of the Company.

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], read with Schedule V to the Act and all guidelines and clarifications for managerial remuneration issued by the Ministry of Corporate Affairs from time to time and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be necessary, consent of the Company be and is hereby accorded for the re-appointment of Mr. Mahendra Kumar Jalan (DIN: 00311883) as the Whole-time Director of the Company for a period of 5 (five) years with effect from 22 January 2020 on the following terms and conditions including remuneration and perquisites for a period of 3 (three) years, as under:

Salary

Rs.4,55,000 per month in the grade of Rs.4,55,000-25,000-5,05,000.

Special Allowance

Rs.5,49,400 per month in the grade of Rs.5,49,400-3,250-5,55,900.

Perquisites

Housing

Residential accommodation including electricity (or House Rent Allowance in lieu thereof not exceeding 60% of the salary).

Medical Benefits

Reimbursement of expenses for self and family in accordance with the Rules specified by the Company.

Leave

As per applicable Staff Rules of the Company.

Club Fees

Fees of a maximum of two clubs excluding admission & life membership fees.

Car and Telephone

Provision of a car for use on the Company's business and telephone at residence. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Personal Accident & Term Insurance

Premium not to exceed Rs.1,00,000 per annum.

Mediclaim Policy

Mediclaim Policy to be taken as per applicable Staff Rules of the Company.

Encashment of Leave

In accordance with the Company's Rules and Regulations.

Contribution to Retiral Benefit Funds

The Company's contribution to Provident Fund as applicable to other employees. Gratuity in accordance with the Gratuity Fund Rules.

Leave Travel Concession

Return passage for Mr. Mahendra Kumar Jalan and his family in accordance with the Rules specified by the Company.

Other benefits, amenities and facilities as per Company's Rules.

Subject to overall remuneration mentioned hereinabove, Mr. Jalan may be given any other allowances, benefits and perquisites as the Board may from time to time decide.

Perquisites shall be evaluated as per the Income Tax Rules, 1962, wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.

For the purpose of eligibility of perquisites "family" means the spouse, the dependent children and dependent parents of the Whole-time Director.

MINIMUM REMUNERATION

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the currency of tenure of Mr. Mahendra Kumar Jalan, the Company will pay salary, perquisites and other allowances as specified above as the minimum remuneration.

RESOLVED FURTHER THAT subject to the overall superintendence, direction and control of the Board of Directors, Mr. Mahendra Kumar Jalan, Whole-time Director shall be responsible for the management of the affairs of the Company and be accountable to the Board of Directors.

RESOLVED FURTHER THAT the aforesaid appointment may be terminated by either party by giving to the other, one months' notice in writing.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board so authorised by it, be and are hereby authorised to alter and vary the terms and conditions of the appointment including the remuneration, as may be agreed between the Board of Directors and Mr. Mahendra Kumar Jalan and/or in such manner and to such extent as may be permitted or authorised in accordance with the provisions under the Act and the rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force].

RESOLVED FURTHER THAT Mr. Mahendra Kumar Jalan shall be liable to retire by rotation, provided that such retirement shall not, if Mr. Jalan is re-appointed at the same meeting at which he retires by rotation, affect his appointment as the Whole-time Director of the Company which shall continue to be for a period of five years with effect from 22 January 2020.

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

9. Issue of Equity Shares on Preferential Basis

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Foreign Exchange Management Act, 1999, as amended ('FEMA'), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ['SEBI (ICDR) Regulations'], the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended, the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Reserve Bank of India ('RBI'), Securities and Exchange Board of India ('SEBI'), the stock exchanges where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions, if any, of SEBI, and other appropriate authorities, including RBI, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions and which may be agreed to by the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded to create, issue, offer and allot 2,74,72,526 Equity Shares of face value of Re.1/- each fully paid up at a price of Rs.18.20 per Equity Share (inclusive of a share premium of Rs.17.20 per Equity

Share) determined in accordance with the SEBI (ICDR) Regulations to the following proposed allottees on preferential basis in accordance with all applicable laws, rules and regulations for the time being in force in this regard:

Sl. No.	Name of the proposed allottees	Category	No. of Equity Shares proposed to be allotted
1.	Sree Khemisati Constructions Pvt Ltd	Promoter Group	1,31,86,813
2.	Global Exports Ltd	Promoter Group	10,98,901
3.	Mayank Kejriwal	Promoter	10,98,901
4.	Asha Kejriwal	Promoter Group	10,98,901
5.	Belgrave Investment Fund	Foreign Portfolio Investor	1,09,89,010
		Total	**2,74,72,526**

RESOLVED FURTHER THAT in accordance with the provisions of the SEBI (ICDR) Regulations, the 'relevant date' for the purpose of determination of the price of Equity Share to be issued and allotted as above shall be Wednesday, 21 August 2019.

RESOLVED FURTHER THAT pursuant to the provisions of the Act, the names of the proposed allottees be recorded for the issue of invitation to subscribe to the Equity Shares and the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised to issue a Private Placement Offer cum Application Letter in Form PAS-4 to the proposed allottees inviting them to subscribe to the Equity Shares.

RESOLVED FURTHER THAT the Equity Shares to be allotted in terms of this Resolution shall rank pari passu in all respects (including entitlement to voting powers and dividend) with the existing fully paid-up Equity Shares of the Company and shall be subject to the relevant provisions of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted by the Company to the allottees in dematerialized form within a period of 15 (fifteen) days from the date of passing of this Resolution, provided that where the issue and allotment of the said Equity Shares is pending on account of pendency of any approval or permission for such issue and allotment by any regulatory authority the issue and allotment shall be completed within a period of 15 (fifteen) days from the date of such approval or permission.

RESOLVED FURTHER THAT the Equity Shares to be offered, issued and allotted shall be subject to lock-in as provided under the provisions of Chapter V of the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution and for the purpose of issue and allotment of the Equity Shares and listing thereof with the stock exchanges, the Board be and is hereby authorised to take all steps and to perform and execute all such acts, matters, deeds and things as they may consider necessary, expedient, usual or proper including appointing advisors, consultants, accountants, auditors, attorneys, advocates, consultant firms or any other agencies, executing necessary documents and entering into contracts, arrangements, agreements, documents, filing such forms with and providing such information to the Governmental Authorities, making such disclosures to the stock exchanges and issuing advertisements and announcements, affixing the common seal of the Company in accordance with the Articles of Association of the Company on such documents and papers, approving all expenses and payments in relation to the foregoing and furnishing certified true copies of this resolution, as may be required or they deem necessary to comply with all other requirements in this regard and for any matters connected herewith or incidental hereto.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to delegate any or all of the powers conferred upon it by this Resolution to any committee of directors, any director(s), and/or other officer(s) of the Company."

By Order of the Board of Directors
For Electrosteel Castings Limited

21 August 2019
Kolkata

Indranil Mitra
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), setting out details relating to Ordinary/Special Business to be transacted at the Meeting is annexed hereto.

2. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING (AGM/THE MEETING) OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AT THE MEETING AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE MEETING.** Members are requested to note that a person can act as proxy on behalf of the Members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

3. Members/Proxies/Authorised Representatives should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.

4. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.

5. Corporate Members/Trusts/Societies, etc., intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of the Board/Managing Committee Resolution, together with the specimen signature(s) of the representative(s) authorised under the said Resolution to attend and vote on their behalf at the Meeting.

6. The Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Members holding shares in physical form are requested to advise any change in their address and/or bank mandates immediately to the Company/Registrar & Share Transfer Agents (RTA), i.e., Maheshwari Datamatics Pvt. Ltd., at 23 R. N. Mukherjee Road, 5th Floor, Kolkata 700 001.

7. The Company has transferred the unpaid or unclaimed dividends declared up to Financial Years 2010-11, from time to time, on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 14 September 2018 (date of last Annual General Meeting) on the website of the Company (www.electrosteelcastings.com).

8. Members wishing to claim dividends, which remain unclaimed are requested to correspond with the RTA. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the IEPF.

   Attention of the Members is drawn to the provisions of Section 124(6) of the Act which require a company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

   In accordance with the aforesaid provision of the Act, the Equity Shares of the Company, in respect of which dividend was unpaid or unclaimed for seven consecutive years or more, has been transferred to the Demat Account of IEPF Authority maintained with National Securities Depository Limited. The voting rights in respect of shares transferred to the Demat Account of IEPF Authority shall remain frozen, until the rightful owner claims the shares. Members may note that shares as well as unclaimed dividend transferred to the IEPF Authority can be claimed back. Concerned shareholders are advised to visit http://www.iepf.gov.in/IEPFA/refund.html for lodging claim for refund of shares or dividend from the IEPF Authority.

   In accordance with the aforesaid provision of the Act, read with the IEPF Rules, as amended, the Company has already initiated necessary action for transfer of all shares in respect of which dividend declared for the Financial Year 2011-12 and onwards has not been paid or claimed by the Members for 7 (seven) consecutive years or more. Members are advised to visit the web-link-https://www.electrosteelcastings.com/investors/pdf/iepf-demat-account-2011-12.pdf.

9. The Members are requested to:

(a) Intimate change in their registered address, if any, to the Company's RTA in respect of their holdings in physical form.

(b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.

(c) Non-Resident Indian Members are requested to inform RTA for shares held in physical form or their Depository Participant for shares held in demat form, as the case may be, immediately of the change in residential status on return to India for permanent settlement.

(d) Register their e-mail address and changes therein from time to time with RTA for shares held in physical form and with their respective Depository Participants for shares held in demat form.

(e) Members holding shares in physical form are advised to make nomination in respect of their shareholding in the Company. Nomination form (SH-13) can be downloaded from the Company's website www.electrosteelcastings.com under the section 'Investors'.

10. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to RTA of the Company.

11. In accordance with the amendments to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the SEBI has revised the provisions relating to transfer of listed securities and has mandated that the requests for transfer of listed securities shall not be processed unless the securities are held in dematerialized form with the Depositories with effect from 1 April 2019.

12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act will be available for inspection by the Members at the AGM of the Company.

13. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulations 26 and 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) are attached to this Notice.

14. All documents referred to in the accompanying Notice and the Explanatory Statement will be available for inspection at the Registered Office and copies thereof will be made available at the Corporate Office during business hours on all working days, up to and including the date of the AGM of the Company.

15. Electronic copy of the Annual Report for 2018-19 along with Notice of the 64th AGM of the Company, inter-alia, indicating the process and manner of e-voting, along with Attendance Slip and Proxy Form, are being sent to all Members whose e-mail ids are registered with the Depository Participants/the Company's RTA for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the aforementioned documents are being sent to them in the permitted mode.

16. Members may also note that the Notice of the 64th AGM and the Annual Report for 2018-19 will also be available on the Company's website www.electrosteelcastings.com for download.

17. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company electronically.**

18. Voting through electronic means:

I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Members are provided with the facility to exercise their right to vote on the resolutions proposed to be considered at the AGM by electronic means. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM, i.e., "remote e-voting" will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting and who are entitled to vote shall be able to exercise their right at the meeting through ballot paper.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

III. The remote e-voting period commences on Tuesday, 17 September 2019 (9:00 a.m.) and ends on Thursday, 19 September 2019 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Friday, 13 September 2019, may cast their vote by remote e-voting in the manner and process set out herein below. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

IV. The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2, i.e., Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your User ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if Folio Number is 001*** and EVEN is 101456 then User ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment, i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL

account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc., with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by e-mail to (rashmi@bihanico.in) with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VI. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Friday, 13 September 2019.

VII. Any person, who acquires shares of the Company and becomes Member of the Company after despatch of the Notice and holding shares as of the cut-off date, i.e., 13 September 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or issuer/RTA.

VIII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

IX. Ms. Rashmi Bihani of M/s. Bihani Rashmi & Co., Chartered Accountants (Membership No. FCA 064298) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XI. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty-eight hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the Result of the voting forthwith.

XII. The Results declared, along with the Report of the Scrutinizer, shall be placed on the website of the Company www.electrosteelcastings.com, Notice Board of the Company at its Registered Office as well as Corporate Office and on the website of NSDL immediately after the declaration of Result by the Chairman or a person authorised by him in writing. The Results shall also be immediately forwarded to BSE Limited and National Stock Exchange of India Limited.

19. A Route Map showing direction to reach the venue of the 64th AGM is given at the end of this Notice as per the requirement of the SS 2 on General Meetings.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

Mr. Shermadevi Yegnaswami Rajagopalan, aged 84 years is a Non-Executive Director of the Company liable to retire by rotation and being eligible, he has offered himself for re-appointment. In accordance with Regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Lisitng Regulations), no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Since Mr. Rajagopalan has already attained the age of 75 years, therefore, for re-appointment and continuation of directorship of Mr. Rajagopalan, special resolution has been proposed by the Board of the Company and justification for aforesaid Item No. 3 is given below:

Mr. Rajagopalan, aged 84 years, is a qualified Chartered Accountant and Company Secretary by Profession. He was the Whole-time Director of the Company from 1988 to 2007. Thereafter, he was appointed as Non Executive Director of the Company with effect from 22 January 2010. He has extensive experience in corporate and related laws and finance matters. Mr. Rajagopalan is the Chairman of the Corporate Social Responsibility Committee and a member of Nomination and Remuneration Committee and Banking and Authorisation Committee of the Company. Mr. Rajagopalan's experience and valuable guidance is beneficial to the Company.

The Company has received from Mr. Rajagopalan (i) consent in writing to act as Director in Form DIR-2 pursuant to Section 152 of the Act, read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Act; and (iii) declaration that he is not debarred from holding or continuing the office of director pursuant to any order of the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other such authority.

The Board, based on the recommendation of the Nomination and Remuneration Committee and considering benefits of the expertise of the aforesaid Director, has recommended the Resolution as set out at item no. 3 of the Notice for approval of the Members of the Company.

Except the above Director and his relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 3 of the Notice.

Item No. 5

The Board on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s. S G & Associates, a firm of Cost Accountants (Firm Registration No. 000138) as the Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31 March 2020 at a remuneration of Rs.1,20,000/- (Rupees One Lakh Twenty Thousand Only) plus applicable taxes payable and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read together with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor shall be recommended by the Audit Committee and considered and approved by the Board of Directors and ratified subsequently by the shareholders. Accordingly, the consent of the Members is hereby sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending 31 March 2020.

The Board recommends the Resolution as set out at Item No. 5 for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution at Item No. 5 of the Notice.

Item No. 6

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, had appointed Dr. Mohua Banerjee (DIN: 08350348), as an Additional Director of the Company and also an Independent Director for a term of five years with effect from 8 February 2019, in terms of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), subject to the approval of the Members of the Company at this ensuing AGM.

Pursuant to the provisions of Section 161(1) of the Act, Dr. Banerjee shall hold office up to the date of this AGM and is eligible to be appointed as Director.

The Company has received a notice from a Member under Section 160 of the Act proposing the candidature of Dr. Mohua Banerjee for the office of Director of the Company. The Company has received from Dr. Mohua Banerjee, (i) consent in writing to act as Director in Form DIR-2 pursuant to Section 152 of the Act, read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified in accordance with sub-section (2) of Section 164 of the Act; (iii) declaration that she meets the criteria of independence as provided in Section 149(6) of the Act as amended, and Regulation 16(1)(b) of the Listing Regulations, as amended; and (iv) declaration that she is not debarred from holding or continuing the office of director pursuant to any order of the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other such authority. In terms of Regulation 25(8) of Listing Regulations, Dr. Banerjee has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

In the opinion of the Board, she fulfills the criteria for appointment as an Independent Director as specified in the Act and the Rules made thereunder as well as the Listing Regulations and is independent of the management and is a person of integrity, possessing relevant expertise and experience. The disclosure under Regulations 26 and 36 of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) is provided in Annexure A to this Notice. A copy of the letter of appointment setting out the terms and conditions of appointment of Dr. Mohua Banerjee is available for inspection by the Members at the Company's registered office during business hours on working days up to the date of the AGM.

The Board recommends the Resolution set out at Item No. 6 of the Notice for approval of the Members of the Company, to be passed as an Ordinary Resolution.

Save and except Dr. Mohua Banerjee, being the appointee, and her relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 6 of the Notice.

Item No. 7

The Members of the Company at the Annual General Meeting (AGM) held on 15 September 2017, had by way of ordinary resolution approved the re-appointment and remuneration of Mr. Mayank Kejriwal as the Joint Managing Director of the Company for a period of 5 (five) years with effect from 1 April 2017.

Subsequently, the Members of the Company at the AGM held on 14 September 2018 approved payment of revised remuneration and perquisites for a period of 2 (two) years to Mr. Mayank Kejriwal, with effect from 1 April 2018.

The Board at its meeting held on 15 May 2019, on the recommendation of the Nomination and Remuneration Committee, approved the payment of remuneration and perquisites for a period of 2 (two) years to Mr. Mayank Kejriwal, with effect from 1 April 2020, subject to approval of the Members of the Company.

Under Section 197 of the Companies Act 2013 ('the Act'), if in any financial year a company has no profits or its profits are inadequate, payment of remuneration to its directors including any managing or whole time director (exclusive of sitting fees payable to directors) may be made only in accordance with the provisions of Schedule V to the Act. Section II of Schedule V to the Act provides that where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, it may, pay remuneration to the managerial person not exceeding the limits set out therein, provided that the remuneration in excess of limits prescribed in Schedule V may be paid if the resolution passed by the shareholders is a special resolution.

In view of the above provision, the approval of the Members is sought to pay remuneration to Mr. Mayank Kejriwal, Joint Managing Director in the form of salary, allowances, perquisites and other benefits for the period mentioned in the Resolution as set out in Item No. 7 of the Notice.

The information as required under the provisions of Schedule V to the Act is furnished below:

(I) General Information: As per Annexure C to the Notice.

(II) Information about Mr. Mayank Kejriwal

(1) Background details:

Mr. Mayank Kejriwal, aged 64 years is a commerce graduate from Calcutta University. He was appointed as the Executive Director of the Company in 1977 and was promoted as the Deputy Managing Director in 1979. In 1980, he was appointed as the Joint Managing Director of the Company. Mr. Kejriwal has rich experience in the Pipe manufacturing industry. He is also the Managing Director of Srikalahasthi Pipes Limited, an associate company of the Company.

(2) Past Remuneration:

A sum of Rs.13,09,238/- was paid to Mr. Kejriwal (including contribution to Provident Fund, Gratuity and encashment of leave), being the remuneration for the Financial Year 2018-19.

(3) Recognition or awards:

As stated in (1) above.

(4) Job profile and his suitability:

Mr. Mayank Kejriwal is responsible for the management of the affairs of the Company and is accountable to the Board of Directors. He is well informed about the Company and the external environment in which it operates. He ensures that the Company's operations comply with requirements of all pertinent laws and regulations. He endeavors to achieve financial/business targets set by the Board. He also actively involves himself in the investor related matters.

(5) Remuneration proposed:

As detailed in the resolution forming part of the Notice.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. Mayank Kejriwal which is proposed for your approval is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels. Considering his rich experience, competence and the growth and development of the Company during his association, the terms of his remuneration are considered fair, just and reasonable.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Besides remuneration proposed, Mr. Mayank Kejriwal has no pecuniary relationship with the Company. Mr. Umang Kejriwal, Managing Director is the brother of Mr. Mayank Kejriwal and Mr. Uddhav Kejriwal, Whole-time Director is the son of Mr. Mayank Kejriwal. Apart from this, Mr. Kejriwal is not related to any other Director/Key Managerial Personnel of the Company.

(III) Other Information: As per Annexure D to the Notice.

(IV) DISCLOSURES

All elements of remuneration package is forming part of the resolution. The Company has made appropriate disclosures as required under Schedule V to the Act in the Corporate Governance Report for the Financial Year 2018-19.

Further, Mr. Mayank Kejriwal is also one of the promoters of the Company. The annual remuneration payable to him or the aggregate annual remuneration payable to him taken together with other promoter directors may exceed the limits prescribed under Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended, notified on 9 May 2018 (to be effective from 1 April 2019). Thus, the Special Resolution, must also be taken as approval as required under Regulation 17(6)(e) of the Listing Regulations in case of Mr. Mayank Kejriwal, Promoter of the Company. The approval of the Members granted under this provision shall be valid only till the expiry of the term of above Director.

The disclosure for Mr. Mayank Kejriwal pursuant to Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) is provided at Annexure B to the Notice.

The Board recommends the Resolution set out at Item No. 7 of the Notice for approval of the Members of the Company, to be passed as Special Resolution.

Except Mr. Mayank Kejriwal, Joint Managing Director of the Company and Mr. Umang Kejriwal, Managing Director and Mr. Uddhav Kejriwal, Whole-time Director being his relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution at Item No. 7 of the Notice.

Item No. 8

The Members of the Company at the AGM held on 28 August 2014, had by way of ordinary resolution approved the re-appointment of Mr. Mahendra Kumar Jalan as the Whole-time Director of the Company for a period of 5 (five) years with effect from 22 January 2015. Mr. Jalan's term as a Whole-time Director is due to expire on 21 January 2020.

The Company has received from Mr. Jalan, (i) consent in writing to act as Director in Form DIR-2 pursuant to Section 152 of the Companies Act, 2013 ('the Act') read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Act; and (iii) declaration that he is not debarred from holding or continuing the office of director pursuant to any order of the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other such authority.

The Board at its meeting held on 15 May 2019, on the recommendation of the Nomination and Remuneration Committee, approved the re-appointment and remuneration of Mr. Jalan, as a Whole-time Director of the Company, for a term of 5 (five) consecutive years with effect from 22 January 2020, subject to approval of the Members of the Company.

Under Section 197 of the Act, if in any financial year a company has no profits or its profits are inadequate, payment of remuneration to its directors including any managing or whole time director (exclusive of sitting fees payable to directors) may be made only in accordance with the provisions of Schedule V to the Act. Section II of Schedule V to the Act provides that where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, it may, pay remuneration to the managerial person not exceeding the limits set out therein, provided that the remuneration in excess of limits prescribed in Schedule V may be paid if the resolution passed by the shareholders is a special resolution.

Further, Section 196 of the Act states that no company shall appoint or continue the employment of any person as whole-time director who has attained the age of seventy years unless a special resolution is passed at a general meeting in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person. Since Mr. Jalan is proposed to be re-appointed as the Whole-time Director for a period of five years with effect from 22 January 2020 during which he will attain the age of 70 years, therefore, the same shall be approved by the shareholders of the Company by passing a Special Resolution.

Hence, the re-appointment and the remuneration payable to Mr. Mahendra Kumar Jalan is being recommended to be passed by way of Special Resolution.

The information as required under the provisions of Schedule V to the Act is furnished below:

(I) General Information: As per Annexure C to the Notice.

(II) Information about Mr. Mahendra Kumar Jalan

(1) Background details:

Mr. Mahendra Kumar Jalan, aged 66 years is a B. Tech (3rd Year). He had joined the Company as the Commercial Manager in 1981. In 1993, he was given the responsibility of setting up the Export Department for export of DI pipes. After achieving this objective, he was given additional responsibility of looking after domestic Sales and Marketing in 2003. He became the Whole-time Director of the Company on 22 January 2010. Currently Mr. Jalan looks after the Company's marketing strategies and is an occupier of Company's Plants at Khardah, Haldia, Bansberia and Elavur.

(2) Past Remuneration:

A sum of Rs.1,63,41,340/- was paid to Mr. Jalan (including contribution to Provident Fund, Gratuity and encashment of leave), being the remuneration for the Financial Year 2018-19.

(3) Recognition or awards:

As stated in (1) above.

(4) Job profile and his suitability:

Mr. Mahendra Kumar Jalan, Whole-time Director of the Company demonstrates thorough knowledge and understanding of the Company's management and operations. He has a good understanding of the Company's business model, allocation of its resources, business and industry environment. He plays a very crucial role in the Company and is responsible for the sales and marketing operations of all the foreign subsidiaries of the Company, thus contributing a share in the revenue of the Company. Currently Mr. Jalan looks after the Company's marketing strategies and is an occupier of Company's Plants at Khardah, Haldia, Bansberia and Elavur.

(5) Remuneration proposed:

As detailed in the resolution forming part of the Notice.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

As regards the comparative remuneration profile with respect to industry, size of the Company, profile of the person and position, the remuneration payable to Mr. Jalan which is proposed for your approval is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels. Considering his rich experience, competence and the growth and development of the Company during his association, the terms of his remuneration are considered fair, just and reasonable.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Besides remuneration proposed, Mr. Jalan has no pecuniary relationship with the Company and he is not related to any Director/Key Managerial Personnel of the Company.

(III) Other Information: As per Annexue D to the Notice.

(IV) DISCLOSURES

All elements of remuneration package is forming part of the resolution. The Company has made appropriate disclosures as required under Schedule V to the Act in the Corporate Governance Report for the Financial Year 2018-19.

The disclosure for Mr. Mahendra Kumar Jalan pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) is provided in Annexure A to the Notice.

The Board recommends the Resolution set out at Item No. 8 of the Notice for approval of the Members of the Company, to be passed as Special Resolution.

Except Mr. Mahendra Kumar Jalan, Whole-time Director of the Company, and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution at Item No. 8 of the Notice.

Item No. 9

In order to meet long term working capital requirements including regular capital expenditure requirements as well as for general corporate purpose of the Company, the Board of Directors of the Company ("Board") in its meeting held on 21 August 2019, has authorised the issuance and allotment of up to 2,74,72,526 (Two Crores Seventy Four Lakhs Seventy Two Thousand Five Hundred and Twenty Six Only) fully paid-up Equity Shares of face value of INR 1 each of the Company at an issue price of Rs.18.20 (including a premium of Rs.17.20) per Equity Share ("Issue Price"), for a cash consideration aggregating up to Rs.50 Crores (Rupees Fifty Crores Only), subject to approval by Members of the Company, by way of preferential issue, to the proposed allottees, as detailed in the Resolution as set out at Item No. 9 of the accompanying Notice, which the proposed allottees have agreed to subscribe.

The Company is listed on both National Stock Exchange of India Limited and BSE Limited. The offer and issue of the Equity Shares, by way of a preferential issue to the proposed allottees, is in accordance with the provisions of the Companies Act, 2013, Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be amended ["SEBI (ICDR) Regulations"] and other applicable provisions of Foreign Exchange Management Act, 1999, if any, and rules and regulations framed thereunder and any other Rules / Regulations / Guidelines, if any, prescribed by any other regulatory authorities.

The other disclosures in accordance with the Companies Act, 2013, as amended, the SEBI (ICDR) Regulations and other applicable provisions of law, in relation to the Special Resolution set out at Item No. 9 of the accompanying Notice are as follows:

a. **The objects of the preferential issue:**

To meet long term working capital requirements including regular capital expenditure requirements as well as for general corporate purpose of the Company, the Company has proposed the Issue of Equity Shares on Preferential Basis to selected person.

b. **Kind and total number of securities to be issued:**

2,74,72,526 Equity Shares of face value of Re.1 each are proposed to be issued.

c. **Price of Equity Shares at which allotment is proposed:**

As per the provisions of Chapter V of the SEBI (ICDR) Regulations, since the Equity Shares of the Company are not frequently traded, the price of the Equity Shares has been determined in accordance with the provisions of Regulation 165 of the SEBI (ICDR) Regulations. The price of the Equity Shares arrived at is Rs.18.20 per Equity Share (i.e., face value of Re. 1/- each and premium of Rs.17.20 per Equity Share).

d. **Name and Address of the Valuer who has issued Certificate under Regulation 165 of the SEBI (ICDR) Regulations:**

The Company has obtained a certificate, stating that the Company is in compliance of Regulation 165 of the SEBI (ICDR) Regulations, from Mr. Santanu Brahma of AH 276 Salt Lake, Sector II, Near Water Tank No. 7, Dist: 24 Parganas (N), Kolkata– 700091, an independent valuer.

e. **Basis on which the price has been arrived at along with the report of the Registered Valuer:**

The Issue Price, in terms of the provisions of Chapter V of the SEBI (ICDR) Regulations, has been fixed at INR 18.20 per Equity Share.

As per Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, as amended, the price of shares to be issued on a preferential basis by a listed company shall not be required to be determined by the valuation report of a registered valuer. Hence, the Company being a listed company valuation report of registered valuer is not required.

f. **Relevant Date:**

The Relevant Date for the purpose of calculation of price of the Equity Shares is 21 August 2019 being 30 days prior to the date of Annual General Meeting to be held in terms of SEBI (ICDR) Regulations.

g. **The name and class of persons to whom allotment is proposed to be made and the identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them:**

The name of the Proposed Allottees, Identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and/or who ultimately control the Proposed Allottees, the percentage of pre and post preferential issue capital that may be held by them is:

Sr. No.	Name and PAN of the Proposed Allottees	Category	Pre allotment holding		No. of Equity Shares proposed to be allotted	Post allotment holding		Ultimate Beneficial Owners
			No. of Shares	% of holding		No. of Shares	% of holding	
1	Sree Khemisati Constructions Pvt Ltd PAN: AADCS6116M	Promoter Group	0	0	1,31,86,813	1,31,86,813	3.05	Refer Note 1

2	Global Exports Ltd PAN: AAACG8388G	Promoter Group	2,00,000	0.05	10,98,901	12,98,901	0.30	Refer Note 2
3	Mayank Kejriwal PAN: AGGPK0882J	Promoter	0	0	10,98,901	10,98,901	0.25	_
4	Asha Kejriwal PAN: AGGPK0885R	Promoter Group	0	0	10,98,901	10,98,901	0.25	_
5	Belgrave Investment Fund PAN: AAICB1115E	Foreign Portfolio Investor	0	0	1,09,89,010	1,09,89,010	2.54	Refer Note 3

Notes:

1. Sree Khemisati Constructions Pvt Ltd ('SKCPL') is a private limited company incorporated and registered under the Companies Act, 1956. Ms. Asha Kejriwal, Mr. Mayank Kejriwal and Ms. Aarti Kejriwal have beneficial ownership of 40.81%, 20.41% and 20.41%, respectively, in SKCPL.
2. Global Exports Ltd ('GEL') is a public limited company incorporated and registered under the Companies Act, 1956. Ms. Asha Kejriwal, Mr. Mayank Kejriwal and Ms. Aarti Kejriwal have beneficial ownership of 40.60%, 20.30% and 20.30%, respectively, in GEL.
3. Belgrave Investment Fund ('BIF') is a Category II Foreign Portfolio Investor registered with SEBI under the SEBI (Foreign Portfolio Investors) Regulations, 2014 bearing registration number INMUFP006919. BIF is an entity incorporated in Mauritius. Fidelis Global Asset Management Limited ('FGAML') is the promoter/shareholder of BIF, holding 100% therein. FGAML is wholly owned by Mr. Yajjadeo LOTUN.

h. Intention of the Promoters, Directors or Key Managerial Personnel of the Company to subscribe to the proposed preferential offer:

The Promoter/Promoter Group entities, viz., Sree Khemisati Constructions Pvt Ltd, Global Exports Ltd, Mr. Mayank Kejriwal and Ms. Asha Kejriwal have proposed to subscribe to the Equity Shares of the Company under the preferential issue and the Company has received the letter of intent from them agreeing to subscribe to the offer.

Mr. Mayank Kejriwal is also the Joint Managing Director of the Company.

None of the other Promoters, Directors and Key Management Personnel of the Company intend to subscribe to the proposed offer.

i. Contribution being made by the Promoters or Directors either as part of the Offer or separately in furtherance of Objects

Contribution being made by the Promoters or Directors as part of the Offer shall be the subscription money paid by them against the shares proposed to be allotted, as indicated in points (g) and (h) above.

None of the Promoters or Directors are making any other contribution separately in furtherance of Objects of the Offer.

j. Principle terms of assets charged as securities

None of the assets of the Company have been charged as securities for the purpose of preferential issue of Equity Shares.

k. Proposed time within which the preferential allotment shall be completed:

The allotment of Equity Shares to the Proposed Allottees will be completed within a period of 15 (fifteen) days from the date of passing of the Special Resolution mentioned at Item No. 9 of the Notice to which this Explanatory Statement is annexed, provided that, if any approval or permission by any regulatory authority or the Central Government for allotment is pending, the allotment shall be completed within a period of 15 (fifteen) days from the date of such last approval.

l. Change in control, if any, in the Company that would occur consequent to the preferential offer:

There shall be no change in control or management of the Company pursuant to the issue and allotment of the Equity Shares. However, post allotment, the shareholding of Promoter & Promoter Group shall increase from 50.62% to 51.22%.

m. The number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

This is the first preferential issue of Equity Shares by the Company in this financial year and no other persons have been allotted any securities on preferential basis during the current financial year.

n. The Shareholding Pattern of the Company before and after the preferential issue:

The Shareholding Pattern of the Company pre and post preferential allotment is given below:

Sl. No.	Category	Pre Issue*		Post Issue**	
		No. of Shares held	% of Share-holding	No. of Shares held	% of Share-holding
A.	Promoters' Holding:				
1.	Indian:				
	Individual / Hindu Undivided Family	4,09,90,703	10.11	4,31,88,505	9.98
	Bodies Corporate	16,42,65,981	40.51	17,85,51,695	41.24
	Sub-total	20,52,56,684	50.62	22,17,40,200	51.22
2.	Foreign Promoters	0	0.00	0	0.00
	Sub-total (A)	20,52,56,684	50.62	22,17,40,200	51.22
B.	Non-Promoters' holding:				
1.	Institutional Investors	4,84,86,217	11.96	5,94,75,227	13.74
2.	Non-Institutions:				
	Private Corporate Bodies	3,00,43,455	7.41	3,00,43,455	6.94
	Directors and Relatives	19,850	0.00	19,850	0.00
	Indian Public	9,26,25,691	22.84	9,26,25,691	21.39
	Others (Including NRIs)	2,90,50,286	7.16	2,90,50,286	6.71
	Sub-total (B)	20,02,25,499	49.38	21,12,14,509	48.78
Grand Total		40,54,82,183	100.00	43,29,54,709	100.00

**the pre-issue shareholding pattern is as on 30 June 2019.*

***assuming no change in pre-issue shareholding pattern, except present preferential issue of 2,74,72,526 Equity Shares.*

o. Undertakings

i. An undertaking that the issuer shall re-compute the price of the specified securities in terms of the provisions of SEBI (ICDR) Regulations where it is required to do so – As the Equity Shares of the Company are listed with National Stock Exchange of India Limited and BSE Limited for more than 26 weeks as on the relevant date, the same is not applicable to the Company.

ii. An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked in till the time such amount is paid by the allottees – As the Equity Shares of the Company are listed with National Stock Exchange of India Limited and BSE Limited for more than 26 weeks as on the relevant date, the same is not applicable to the Company.

p. Lock-in period:

i. The Equity Shares to be allotted pursuant to preferential issue shall be subject to 'lock-in' as per the SEBI (ICDR) Regulations.

ii. The entire pre-preferential allotment shareholding, if any, of the proposed allottee(s) shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 167(6) of the SEBI (ICDR) Regulations.

q. Disclosure pertaining to wilful defaulters:

Neither our Company, nor our Directors or Promoters have been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

r. Auditors' Certificate:

The Certificate from M/s. Singhi & Co., Chartered Accountants, Statutory Auditors of the Company, certifying that this preferential issue is being made in accordance with the requirements of the SEBI (ICDR) Regulations shall be placed before the AGM of the Members.

In terms of provisions of Section 62(c) of the Companies Act, 2013, approval of the shareholders through Special Resolution is required for issuance of Equity Shares on preferential basis. Accordingly, the consent of the Shareholders is being sought, pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (ICDR) Regulations, to issue and allot Equity Shares on preferential basis as stated in the Resolution.

The Board recommends the Resolution as set out in Item No. 9 of the Notice for approval of the Members of the Company.

Mr. Umang Kejriwal, Managing Director, Mr. Mayank Kejriwal, Joint Managing Director, and Mr. Uddhav Kejriwal, Whole-time Director and their relatives may be deemed interested in the Resolution to the extent of the Equity Shares proposed to be allotted to them/the companies in which they or their relatives are directly or indirectly interested. Except them none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 9 of the Notice.

By Order of the Board of Directors
For Electrosteel Castings Limited

21 August 2019 — Indranil Mitra
Kolkata — Company Secretary

Annexure – A

The relevant details of Directors seeking appointment/re-appointment as required under Regulations 26 and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) are given below:

I.

Sl. No.	Particulars	Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000)	Mr. Uddhav Kejriwal (DIN: 00066077)
1.	Date of Birth (Age)	24 November 1934 (84 Years)	10 August 1978 (40 Years)
2.	Date of first appointment on the Board	22 January 2010	16 June 2003
3.	Brief Resume including qualification	Mr. Shermadevi Yegnaswami Rajagopalan is a qualified Chartered Accountant and Company Secretary. He worked as the Whole-time Director of the Company from 1988 to 2007 and retired on 9 August 2007. Thereafter, he was appointed as Non-Executive Director of the Company with effect from 22 January 2010.	Mr. Uddhav Kejriwal is a commerce graduate from Calcutta University. After joining in 2003, he has made a major contribution for the creation of the Company's Haldia facility having 2.95 Lakhs TPA coke making capacity, 60,000 MT sponge Iron capacity and 12 MW Power Plant. He oversees all financial affairs and commercial issues pertaining to the business of the Company.
4.	Experience (including nature of expertise in specific functional area)	Mr. Rajagopalan has extensive experience in corporate and related laws and finance matters. He has an expertise in effective management of relationship with shareholders and stakeholders.	He has expertise in matters relating to the financial affairs and commercial issues pertaining to the business of the Company.
5.	Terms and conditions of re-appointment	Liable to retire by rotation.	In terms of Section 152(6) of the Companies Act, 2013, Mr. Kejriwal who was re-appointed as a Whole-time Director of the Company at the Extra-ordinary General Meeting held on 11 August 2018 is liable to retire by rotation at the Meeting.
6.	Details of remuneration sought to be paid	Remuneration may be paid by way of sitting fees and/or commission on the net profits of the Company as approved by the Board from time to time.	Remuneration to be paid as approved by the shareholders at the Extra-ordinary General Meeting held on 11 August 2018.
7.	Remuneration last drawn	As mentioned in the Corporate Governance Report forming part of Annual Report 2018-19.	As mentioned in the Corporate Governance Report forming part of Annual Report 2018-19.
8.	Number of meetings of the Board attended during the Financial Year (2018-19)	8	9

9.	Relationship with other Directors / Key Managerial Personnel	Mr. Rajagopalan is not related to any Director/Key Managerial Personnel of the Company.	Mr. Kejriwal is the son of Mr. Mayank Kejriwal, Joint Managing Director of the Company.
10.	Directorship of other Boards	NIL	- Sri Gopal Investments Ventures Limited - Murari Investment & Trading Co Ltd - Indian Chamber of Commerce Calcutta - G. K. & Sons Pvt Ltd - Hillson Merchandise Pvt Ltd - Vexcon Properties Pvt.Ltd. - Greenchip Trexim Pvt Ltd - Calcutta Diagnostics Centre Pvt Ltd - Tulsi Highrise Pvt Ltd - Bose Estates Private Limited - Dreamlight Plaza Private Limited - Ellenbarrie Chemical Allied Pvt Ltd
11.	Membership/Chairmanship of Committees of other Boards	NIL	NIL
12.	Number of shares held in the Company	He holds 5,100 Equity Shares of Re.1/- each for himself but he does not holds any Equity Shares in the Company on a beneficial basis for any other persons.	He holds 32,39,540 Equity Shares of Re.1/- each for himself and he does not hold any Equity Shares in the Company on a beneficial basis for any other persons.

II.

Sl. No.	Particulars	Dr. Mohua Banerjee (DIN: 08350348)	Mr. Mahendra Kumar Jalan (DIN: 00311883)
1.	Date of Birth (Age)	24 August 1970 (48 years)	16 May 1952 (66 Years)
2.	Date of first appointment on the Board	8 February 2019	22 January 2010
3.	Brief Resume including qualification	Dr. Mohua Banerjee is Professor – Marketing, Dean – Placements, Corporate & Alumni Relations, International Management Institute Kolkata (RP-Sanjiv Goenka Group). She completed her M.Com. and Ph.D. from the University of Calcutta. She is a Visiting Faculty in National and Foreign Universities.	Mr. Mahendra Kumar Jalan is a B. Tech (3rd Year). He had joined the Company as the Commercial Manager in 1981. In 1993, he was given the responsibility of setting up the Export Department for export of DI pipes. After achieving this objective, he was given additional responsibility of looking after domestic Sales and Marketing in 2003. He became the Whole-time Director of the Company on 22 January 2010.
4.	Experience (including nature of expertise in specific functional area)	She has over fourteen years of teaching experience and teaches courses on Marketing Management, Retail Marketing, Sales & Distribution and Marketing Communication in India.	He is an expert in developing marketing strategies for DI Pipes in both local and foreign markets. Mr. Jalan is the occupier of Company's Plants at Khardah, Haldia, Bansberia and Elavur.
5.	Terms and conditions of appointment / re-appointment	As per Resolution at Item No. 6 of the Notice convening this Meeting, read together with Explanatory Statement annexed thereto, Dr. Banerjee, who has been appointed by the Board as an Additional Director (Non-Executive and Independent) of the Company, is proposed to be appointed as a Non-Executive, Independent Director of the Company for a term of 5 (five) consecutive years.	As mentioned in Resolution at Item No. 8 of the Notice convening the Meeting, read together with the Explanatory Statement annexed thereto.

6.	Details of remuneration sought to be paid	Remuneration may be paid by way of sitting fees and/or commission on the net profits of the Company as approved by the Board, from time to time.	As mentioned in Resolution No. 8 of the Notice convening the Meeting, read together with the Explanatory Statement annexed thereto.
7.	Remuneration last drawn	Not Applicable	As mentioned in the Corporate Governance Report forming part of Annual Report 2018-19.
8.	Number of meetings of the Board attended during the Financial Year (2018-19)	2	8
9.	Relationship with other Directors / Key Managerial Personnel	Dr. Banerjee is not related to any Director / Key Managerial Personnel of the Company.	Mr. Jalan is not related to any Director / Key Managerial Personnel of the Company.
10.	Directorship of other Boards	NIL	- Electrosteel Algerie SPA - Electrosteel Castings (UK) Ltd - Electrosteel Castings Gulf FZE - Electrosteel Europe SA - Electrosteel Trading S.A. - Electrosteel USA LLC - Electrosteel Brasil Ltda Tubos e Conexoes Duties - Waterfab LLC - Electrosteel Bahrain Holding SPC Company - Electrosteel Bahrain Trading WLL
11.	Membership/Chairmanship of Committees of other Boards	NIL	NIL
12.	Number of shares held in the Company	NIL	He holds 1,750 Equity Shares of Re.1/- each for himself but he does not holds any Equity Shares in the Company on a beneficial basis for any other persons.

Annexure - B

The relevant details of Director required under Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2) are given below:

I.

Sl. No.	Particulars	Mr. Mayank Kejriwal (DIN: 00065980)
1.	Date of Birth (Age)	23 August 1954 (64 Years)
2.	Date of first appointment on the Board	15 February 1979
3.	Brief Resume including qualification	Mr. Mayank Kejriwal is a commerce graduate from Calcutta University. He joined the Company in 1977 as the Executive Director of the Company. He became the Deputy Managing Director of the Company in 1979 and the Joint Managing Director in 1980. He currently leads the operating management and updates the Board about various operational matters.
4.	Experience (including nature of expertise in specific functional area)	He has over 45 years of rich experience in the Pipe manufacturing industry. He has been instrumental in development of policies and strategic plans aligned with the vision and mission of the Company and which harmoniously balance the needs of shareholders, clients, employees and other stakeholders.
5.	Details of remuneration sought to be paid	As mentioned in Resolution at Item No. 7 of the Notice convening this Meeting, read together with the Explanatory Statement annexed thereto.
6.	Remuneration last drawn	As mentioned in the Corporate Governance Report forming part of Annual Report 2018-19.

7.	Number of meetings of the Board attended during the Financial Year (2018-19)	8
8.	Relationship with other Directors / Key Managerial Personnel	Mr. Mayank Kejriwal and Mr. Umang Kejriwal are brothers. Mr. Mayank Kejriwal is the father of Mr. Uddhav Kejriwal. Apart from this, Mr. Kejriwal is not related to any other Director/Key Managerial Personnel of the Company.
9.	Directorship of other Boards	- Srikalahasthi Pipes Limited - Cubbon Marketing Pvt. Ltd. - Tulsi Highrise Pvt. Ltd. - Escal Finance Services Ltd - Bose Estates Private Limited - Malay Commercial Enterprises Ltd - Sree Khemisati Constructions Pvt. Ltd - Global Exports Ltd - Murari Investment & Trading Co. Ltd - Badrinath Industries Limited - G. K. & Sons Pvt Ltd. - Electrocast Sales India Limited
10.	Membership/Chairmanship of Committees of other Boards	NIL
11.	Number of shares held in the Company	NIL

Annexure – C

(I) General Information:

1. Nature of Industry
Manufacturer of Ductile Iron Pipe, Ductile Iron Fittings and Cast Iron Pipe

2. Date or expected date of commencement of commercial production:
The Company is already in production for last several decades. The Company was incorporated in the year 1955. As on date, the Company has Ductile Iron Pipe Plant with a total capacity of 280,000 TPA, Cast Iron Pipe Plant with a total capacity of 108,000 TPA, 12 MW Power Plant and Coke Oven Plant with a total capacity of 225,000 TPA.

3. Financial performance based on given indicators:

(Rs. In Lakh)

Particulars	**FY 2018-19**	**FY 2017-18**	**FY 2016-17**
Revenue from Operations	2,39,060.75	2,02,607.56	1,83,207.85
Other Income	6,413.50	8,106.87	9,703.96
Earnings Before Interest, Taxes, Depreciation and Amortisation	41,078.13	30,512.54	37,323.04
Less : Finance Costs	22,540.22	20,231.83	20,105.16
Less : Depreciation and Amortisation expense	5,481.79	5,921.85	6,368.85
Profit Before Tax	13,056.12	4,358.86	10,849.03
Less: Exceptional items	78,990.08	-	-
Profit/(loss) before tax	(65,933.96)	4,358.86	10,849.03
Less : Tax Expense	(2,348.16)	(339.78)	3,120.73
Profit After Tax	(63,585.80)	4,698.64	7,728.30

4. Foreign investments or collaborations, if any: NIL

Annexure - D

(III) Other Information:

1. Reasons for loss or inadequate profits:

Although the Company has been reporting profits till Financial Year 2017-18, it has reported loss for the Financial Year 2018-19 but the loss was mainly on account of fair valuation of investment in the shares of Electrosteel Steels Limited and advance and trade receivables written off as per approved resolution plan as confirmed by Hon'ble National Company Law Appellate Tribunal (NCLAT) by its order dated 10 August 2018. Further increasing prices of raw materials such as coking coal, Iron Ore, Zinc, etc., are increasing the cost of production whereas the sales are at agreed prices which can also adversely affect the profitability of the Company. Increase in finance cost of the Company may also result in inadequacy of profit to pay Managerial Remuneration.

2. Steps taken or proposed to be taken for improvement:

The Company has initiated several measures towards achieving organisational and operating efficiencies and strengthening core competencies, alongside working on improvements in processes and controls inter alia:

- The Company is taking various measures for raw material availability and reduce its input raw material cost including specific consumption per unit of product.
- The Company has also adopted various measures for cutting production cost & administrative expenses, improving operating and energy efficiencies and increasing overall productivity.
- The Company is also exploring means to use resources/assets to minimize loss.

The Company is also putting in efforts for booking sales at higher realisation prices, inventory planning, reducing costs and increasing profit as a whole.

3. Expected increase in productivity and profits in measurable terms:

Although it is not possible at this stage to quantify the increase in productivity and profits, a reasonable improvement in demand for the Company's products is expected during the Financial Year 2019-20 subject to improvement in business situation and other external factors. The management continues to be cautiously optimistic towards the external economic environment and expects consumer demand to become more consistent. Production will be at same level, however sales prices are expected to increase as cost of raw material is increasing. The Company expects higher turnover on the Smart City Projects. Increase in turnover will result in improved margin leading to improvement in profitability.

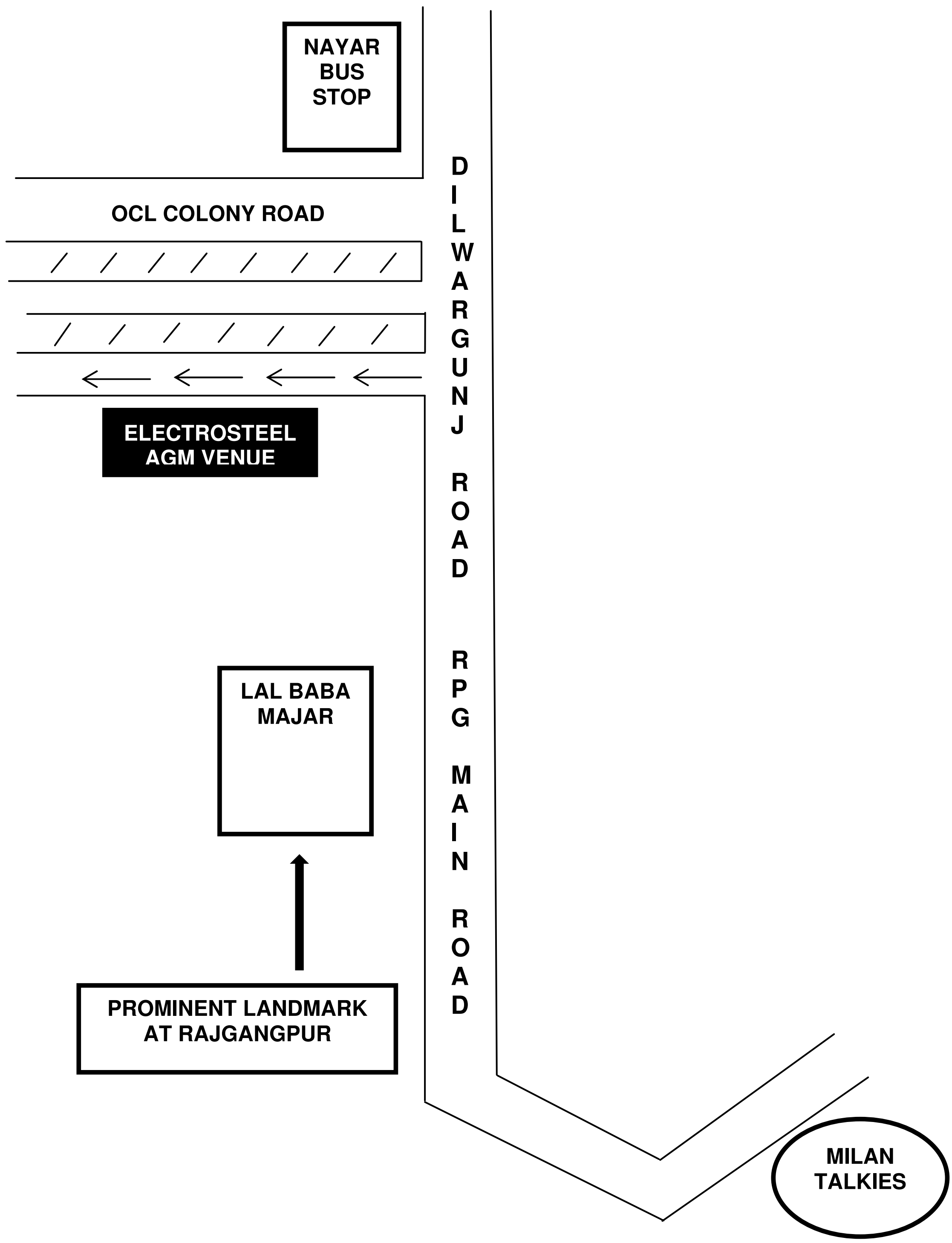
Though the pipe industry is following a downturn, in anticipation of revival of the market in the near future, the above steps taken/proposed to be taken by the Company are expected to increase the productivity and profits of the Company.

By Order of the Board of Directors
For Electrosteel Castings Limited

21 August 2019
Kolkata

Indranil Mitra
Company Secretary

ROUTE MAP TO THE VENUE OF THE AGM



ELECTROSTEEL CASTINGS LIMITED

CIN: L27310OR1955PLC000310
Registered Office: Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017, India
Tel: +91 06624 220 332; **Fax**: +91 06624 220 332
Corporate Office: G. K. Tower, 19 Camac Street, Kolkata 700 017, India
Tel: +91 033 2283 9990; **Fax**: +91 033 2289 4339
Website: www.electrosteelcastings.com; **E-Mail**: companysecretary@electrosteel.com

Form No. MGT – 11

PROXY FORM

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

CIN	:	L27310OR1955PLC000310
Name of the Company	:	**ELECTROSTEEL CASTINGS LIMITED**
Registered Office	:	Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017, India
Name of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Folio No./Client ID	:	
DP ID	:	

I/We, being the member(s) of ________________Shares of the above named Company, hereby appoint:

1. Name: ____

   Address: ____

   E-mail ID ____________________Signature:________________ or failing him/her

2. Name:____

   Address:____

   E-mail ID ____________________Signature:________________ or failing him/her

3. Name: ____

   Address: ____

   E-mail ID ____________________Signature:______________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 64th Annual General Meeting of the Company, to be held on Friday, 20 September 2019 at 11.30 a.m. at the Registered Office of the Company situated at Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars		
Ordinary Business		**For**	**Against**
1.	To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon.		
2.	To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March 2019 together with the Report of the Auditors thereon.		
3.	To appoint Mr. Shermadevi Yegnaswami Rajagopalan (DIN: 00067000), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of Mr. Uddhav Kejriwal (DIN: 00066077), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business		**For**	**Against**
5.	Ratification of remuneration of M/s. S G & Associates, Cost Auditors of the Company for the Financial Year 2019-20.		
6.	Appointment of Dr. Mohua Banerjee (DIN: 08350348) as an Independent Director of the Company.		
7.	Payment of remuneration to Mr. Mayank Kejriwal (DIN: 00065980), Joint Managing Director of the Company for the period from 1 April 2020 to 31 March 2022.		
8.	Re-appointment of Mr. Mahendra Kumar Jalan (DIN: 00311883) as the Whole-time Director of the Company.		
9.	Issue of Equity Shares on Preferential Basis.		

Signed this ______________________day of ________________2019

Affix Revenue Stamp of Re. 1

Signature of Shareholder: ____________________________________

Signature of Proxy holder(s):__________________________________

Notes:

1. The Shareholder may vote either for or against each resolution.
2. **This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

ELECTROSTEEL CASTINGS LIMITED

CIN: L27310OR1955PLC000310
Registered Office: Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017, India
Tel: +91 06624 220 332; **Fax**: +91 06624 220 332
Corporate Office: G. K. Tower, 19 Camac Street, Kolkata 700 017, India
Tel: +91 033 2283 9990; **Fax**: +91 033 2289 4339
Website: www.electrosteelcastings.com; **E-Mail**: companysecretary@electrosteel.com

ATTENDANCE SLIP

Serial No.:

Registered Folio No./ DP Id/ Client Id	
Name and address of the Member(s)	
Joint Holder(s), if any	
No. of shares held	

I/We hereby record my/our presence at the 64th Annual General Meeting of Electrosteel Castings Limited being held at Rathod Colony, Rajgangpur, Sundergarh, Odisha 770 017 on Friday, 20 September 2019 at 11.30 a.m.

Name of the Member/Proxy* in block letters

Signature of the Member/Proxy*

*Strike out whichever is not applicable

ELECTRONIC VOTING PARTICULARS		
EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

Notes:

1. Please handover duly filled up and signed Attendance Slip at the entrance of Meeting venue.

2. The remote e-voting period commences on 17 September 2019 (9:00 a.m) and ends on 19 September 2019 (5:00 p.m). Please read the e-voting instructions in the Notice carefully before exercising your vote.