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.

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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, Business Responsibility 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.

Key audit matters	**How our audit addressed the key audit matter**
<u>Provision for taxation, litigations and disclosures of contingent liabilities</u>	
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] 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.

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Key audit matters	How our audit addressed the key audit matter
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.
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.

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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 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.

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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;

   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

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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 ICAI Registration No.:302049E

SINGHI & CO. Chartered Accountants

(Gopal Jain)
Partner
Membership No: 59147

Place: Kolkata
Dated: 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.

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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 Statue	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	Additional 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

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.

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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 Registration No.302049E

SINGHI & CO. ★ Chartered Accountants ★

(Gopal Jain)
Partner
Membership No. 59147

Place: Kolkata
Dated: 15 May 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.

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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.

SINGHI & CO. Chartered Accountants

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

(Gopal Jain)
Partner
Membership No. 59147

Place: Kolkata
Dated: 15 May 2019

ELECTROSTEEL CASTINGS LIMITED

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**	2,28,00.75
		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)

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

SINGHI & CO. ★ Chartered Accountants ★

ELECTROSTEEL CASTINGS LIMITED

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		**1,30,56.12**	43,58.86
Exceptional Items	42	**(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

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Managing Director
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(DIN: 00311883)

Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

ELECTROSTEEL CASTINGS LIMITED

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	Reserves and 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

As at March 31, 2018

Particulars	Reserves and 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 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)

SINGHI & CO. ★ Chartered Accountants ★

Kolkata
May 15, 2019

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN: 00065173)

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Sunil Katial
Chief Executive Officer

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

ELECTROSTEEL CASTINGS LIMITED

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 generation 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)
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: Foreign Exchange movement & Amortisied cost	Non Cash Changes: Current/ Non-current classification	As at 31.03.2019
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 Number: 302049E)

Gopal Jain
Partner
(Membership No. 059147)

Kolkata
May 15, 2019

SINGHI & CO. Chartered Accountants

Sunil Katial
Chief Executive Officer

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN: 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN: 00311883)

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary

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.

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.

SINGHI & CO. ★ Chartered Accountants ★

ELECTROSTEEL CASTINGS LIMITED

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 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.

SINGHI & CO. ★ Chartered Accountants ★

ELECTROSTEEL CASTINGS LIMITED 19 CAMAC ST KOLKATA-17 ★

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
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.

Chartered Accountants

ELECTROSTEEL CASTINGS LIMITED 19, CAMAC ST. KOLKATA-17

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 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.

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(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.

(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.

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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.

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.

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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.

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.

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.

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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.

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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 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.

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

Particulars	Freehold land	Leasehold land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Railway Siding	Livestock	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 Equipments	Railway Siding	Livestock	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	46.8	1,18.63	61.7	-	-	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.

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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.

ELECTROSTEEL CASTINGS LIMITED
NOTES TO FINANCIAL STATEMENTS for the year ended March 31,2019

(Amount Rs. in lakhs)

7. Investment in Subsidiaries, Associates and Joint Ventures
(Fully paid up except otherwise stated)

Particulars	As at March 31, 2019 Holding (Nos)	As at March 31, 2019 Value	As at March 31, 2018 Holding (Nos)	As at March 31, 2018 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		**5,31,47.24**		11,45,62.93
#Towards 100% Capital Contribution				
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 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%

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CASTINGS LIMITED ★ ELECTROSTEEL 19 CAMAC ST. KOLKATA-17

(Amount Rs. in lakhs)

7A. NON CURRENT INVESTMENT

(Fully paid up except otherwise stated)

Particulars	As at March 31, 2019 Holding (Nos)	Value	As at March 31, 2018 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.

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.

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ELECTROSTEEL CASTINGS LIMITED ★ 19 CAMAC ST. KOLKATA-17

ELECTROSTEEL CASTINGS LIMITED
NOTES TO FINANCIAL STATEMENTS for the year ended March 31,2019

Non Current Assets

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

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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).

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

(Amount Rs. in lakhs)

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.

ELECTROSTEEL CASTINGS LIMITED
NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

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

Particulars	As at March 31, 2019 Holding (Nos)	Value	As at March 31, 2018 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

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14. Trade Receivables

(Amount Rs. in lakhs)

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:

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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.

16. Bank Balances Other than Cash and Cash Equivalents

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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.

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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.

19. Other Current Assets

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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:

(Amount Rs. in lakhs)

	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 Pvt Ltd	**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

(Amount Rs. in lakhs)

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

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

(Amount Rs. in lakhs)

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.

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.

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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

(Amount Rs. in lakhs)

Particulars	Ref. note no.	As at March 31, 2019 Non Current	As at March 31, 2019 Current	As at March 31, 2018 Non Current	As at March 31, 2018 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 institution	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.

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).

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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).

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

(Amount Rs. in lakhs)

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

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24 Deferred Tax Liabilities

The following is the analysis of deferred tax (assets)/liabilities presented in the Balance Sheet:

(Amount Rs. in lakhs)

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)**
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

(Amount Rs. in lakhs)

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

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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)

(Amount Rs. in lakhs)

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

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

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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.

(Amount Rs. in lakhs)

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.

28.3 Including acceptances of Rs. 1,00,76.60 lakhs (previous year Rs. 95,67.18 lakhs).

29. Other Financial Liabilities

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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:

(Amount Rs. in lakhs)

Particulars	
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	-

32. Current Tax Liabilities (Net)

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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	**16,21,48.18**	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
	23,90,60.75	20,26,07.56
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.

ELECTROSTEEL CASTINGS LIMITED
NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

34. Other Income

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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.

36. Purchases of Stock In Trade

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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

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 entity's general borrowings during the year, in this case 11.80%.

40. Depreciation and Amortisation Expenses

(Amount Rs. in lakhs)

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

41. Other Expenses

(Amount Rs. in lakhs)

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.

(Amount Rs. in lakhs)

	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.

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.

(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

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 (Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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)	-

43.Tax Expense

(Amount Rs. in lakhs)

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:

45 FINANCIAL INSTRUMENTS

a) The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

(Amount Rs. in lakhs)

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.

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	Singnificant observable inputs	Singnificant unobservable inputs
Financial Assets				
Trade Receivables	-	-	-	-
	(128.40)	-	(1,28.40)	-
Security Deposits	13,67.67	-	13,67.67	-
	(2,185.23)	-	(21,85.23)	-
Investment in Equity Instruments and Bonds (Current)	75.81	75.81	-	-
	(84.15)	(84.15)		
Investment in Equity Instruments other than Subsidiaries, Associates and Joint Venture (Non-Current)	21,34.88	-	-	21,34.88
	(34.09)	-	-	(34.09)
Derivative Instrument	633.20	-	6,33.20	-
	-	-	-	-
Financial Liabilities				
Borrowings - fixed rate	5,12,82.33	-	5,12,82.33	-
	(60,582.01)	-	(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.

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: -

Nature	Currency	Amount in Foreign 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	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

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.

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows:

SINGHI & CO. ★ Chartered Accountants ★

ELECTROSTEEL CASTINGS LIMITED 19 CAMAC ST. KOLKATA-17

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 (Amount Rs. in lakhs)

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:

(Amount Rs. in lakhs)

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

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.

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(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.

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**	-	

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As at March 31, 2018 (Amount Rs. in lakhs)

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 (Amount Rs. in lakhs)

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 (Amount Rs. in lakhs)

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.

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.

9) **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 lakhs)

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

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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.

	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
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%

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.

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 2021 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

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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 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.

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	**(1399.78)**		(50.01)	
Less: Sale of Assets and other realisations	**(654.92)**	**(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). The details of these expenses are as follows :

(Amount Rs. in lakhs)

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:

(Amount Rs. in lakhs)

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

(Amount Rs. in lakhs)

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

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54 (i) Contingent Liabilities not provided for in respect of:

(Amount Rs. in lakhs)

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 :

(Amount Rs. in lakhs)

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.

SINGHI & CO. Chartered Accountants

ELECTROSTEEL CASTINGS LIMITED 19 CAMAC ST KOLKATA-17

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 members 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

STEEL CASTINGS LTD

SINGHI & CO. Chartered Accountants

B. Related Party Transactions

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	Joint Venture	KMP & Close members of Family	KMP have control	Total	Outstanding as on 31.03.19	Outstanding as on 31.03.18
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)**	
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		-

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	Joint Venture	KMP & Close members of Family	KMP have control	Total	Outstanding as on 31.03.19	Outstanding as on 31.03.18
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
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

ELECTROSTEEL CASTINGS LIMITED 19 CAMAC ST KOLKATA-17

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ELECTROSTEEL CASTINGS LIMITED
NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	Joint Venture	KMP & Close members of Family	KMP have control	Total	Outstanding as on 31.03.19	Outstanding as on 31.03.18
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
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								

ELECTROSTEEL CASTINGS LIMITED
NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

(Amount Rs. in lakhs)

Particulars	Subsidiary	Associate	Joint Venture	KMP & Close members of Family	KMP have control	Total	Outstanding as on 31.03.19	Outstanding as on 31.03.18
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								
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

ELECTROSTEEL CASTINGS LIMITED
NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

C. Details of compensation paid to KMP during the year are as follows:

(Amount Rs. in lakhs)

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 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:

(Amounts 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

ELECTROSTEEL CASTINGS LIMITED
NOTES TO FINANCIAL STATEMENTS for the year ended March 31,2019

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:

(Amounts Rs. in lakhs)

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

SINGHI & CO. Chartered Accountants

Sunil Katial
Chief Executive Officer

For and on behalf of the Board of Directors

Umang Kejriwal
Managing Director
(DIN: 00065173)

Mahendra Kumar Jalan
Wholetime Director
(DIN: 00311883)

Brij Mohan Soni
Chief Financial Officer

Subhra Giri Patnaik
Company Secretary