



**GODAWARI POWER & ISPAT**



**ANNUAL REPORT  
2014-15**

# Forward looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements –written and oral- that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substances in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# Company Information

## **BOARD OF DIRECTORS**

Mr. B. Choudhuri	Chairman (Independent Director)
Mr. B.L. Agrawal	Managing Director
Mr. Abhishek Agrawal	Executive Director
Mr. Dinesh Agrawal	Executive Director
Mr. Vinod Pillai	Executive Director
Mr. Dinesh Gandhi	Non Executive Director
Mr. Shashi Kumar	Independent Director
Mr. B. N. Ojha	Independent Director
Mr. Harishankar Khandelwal	Independent Director
Ms. Bhavna G. Desai	Independent Woman Director

## **CFO**

Mr. Sanjay Bothra	Chief Financial Officer
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## **COMPANY SECRETARY**

Mr. Y.C. Rao	Company Secretary & Compliance Officer
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## **AUDITORS**

M/s. O.P. Singhania & Co.  
Chartered Accountants, Raipur (C.G.)

## **BANKERS**

Canara Bank	State Bank of India
Bank of Baroda	Axis Bank Ltd.
IDBI Bank Ltd	Indian Overseas Bank
Lakshmi Vilas Bank Ltd.	

**SECURITY /DEBENTURE TRUSTEE:** Axis Trustee Services Limited

**REGISTERED OFFICE & WORKS:** Plot No.428/2, Phase I, Industrial Area,  
Siltara - 493 111, Dist. Raipur,  
Chhattisgarh, India.  
Tel: +91 - 771 4082333 Fax: +91 771 4082234

**CORPORATE OFFICE** First Floor, Hira Arcade, Near New Bus Stand,  
Pandri, Raipur - 492 001, Chhattisgarh, India  
Tel.: +91 - 771 - 4082000 Fax: 4082732 / 4057601  
Email: co.secretary@hiragroup.com

**MUMBAI OFFICE** A-401, Lotus Corporate Park (Graham Firth Company),  
Jay Coach Signal, Off Western Express Highway,  
Goregaon (East), Mumbai - 400 063, India.  
Tel: +91 - 22 - 40767466 / 40767474 / 40767433  
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# Financial Performance

## (Consolidated)

(₹ in Lacs)

PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11
<b>INCOME STATEMENT</b>					
SALES (GROSS)	266537.82	234986.89	266345.41	229087.95	123461.89
OTHER INCOME	6021.90	1554.73	1478.37	1133.13	1288.92
GROSS SALES & OTHER INCOME	272559.72	236541.62	267823.78	230221.08	124750.81
NET SALES	239497.98	211805.37	235671.26	206043.30	111861.62
NET SALES & OTHER INCOME	245519.88	213360.10	237149.63	207176.43	113150.54
OPERATING PROFIT (EBITDA)	41842.65	36279.36	34570.53	29310.11	24779.23
PROFIT AFTER TAX (PAT)	7072.71	6997.28	15829.02	8758.15	9945.36
CASH PROFIT	18890.22	17546.10	22920.89	15524.87	15487.61
<b>BALANCE SHEET</b>					
NET BLOCK	240282.12	232775.85	107000.48	105036.42	97074.78
SHARE CAPITAL	3275.62	3275.62	3275.62	3175.62	3175.62
NET WORTH	92440.80	86423.75	79039.65	67809.18	60492.72
LONG TERM BORROWING (INCLUDING CURRENT MATURITIES)	163655.30	168874.28	125237.40	71761.96	62270.15
<b>SIGNIFICANT RATIOS</b>					
OPERATING PROFIT TO NET SALES (%)	17.47	17.13	14.67	14.23	22.15
NET PROFIT TO NET SALES (%)	2.95	3.30	6.72	4.25	8.89
LONG TERM DEBT TO EQUITY RATIO	1.77	1.95	1.58	1.06	1.03
RETURN ON CAPITAL EMPLOYED (%)	1.89	1.99	5.08	4.36	6.35
RETURN ON NET WORTH (%)	7.65	8.10	20.03	12.92	16.44
<b>PER EQUITY SHARES</b>					
BOOK VALUE (₹)	282.21	263.84	241.30	213.47	190.49
EPS (ANNUALISED)	20.21	17.66	46.82	26.54	27.04

## DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 16th Annual Report on the business & operations of the Company together with the Standalone and Consolidated Audited Statement of Financial Accounts for the year ended 31st March 2015.

### 1. HIGHLIGHTS OF PERFORMANCE

- Consolidated income for the year increased by 15.07% to ₹ 2455.20 Crore as compared to ₹ 2133.60 Crore in F.Y 2013-14;
- Consolidated net sales for the year was ₹ 2394.98 Crore as compared to ₹ 2118.05 Crore in F.Y 2013-14, a growth of 13.07%;
- Consolidated profit after tax for the year was ₹ 70.73 Crore as compared to ₹ 69.97 Crore in F.Y.2013-14:

### 2. FINANCIAL RESULTS

Particulars	₹ in Crores			
	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
<b>Gross Sales</b> .....	<b>2166.61</b>	1732.47	<b>2665.38</b>	2349.87
Less: Excise duty/Sales tax/VAT .....	<b>231.56</b>	191.55	<b>270.40</b>	231.82
<b>Net Sales Turnover</b> .....	<b>1935.05</b>	1540.92	<b>2394.98</b>	2118.05
<b>Operating expenses</b> .....	<b>1671.72</b>	1329.01	<b>2036.77</b>	1770.81
<b>Operating Profit</b> .....	<b>263.33</b>	211.91	<b>358.21</b>	347.24
Other Income.....	<b>16.49</b>	24.49	<b>60.22</b>	15.55
<b>Total Revenue</b> .....	<b>1951.54</b>	1565.41	<b>2455.20</b>	2133.60
<b>Profit before Interest, Depreciation, Tax and Amortization (EBIDTA)</b> .....	<b>279.82</b>	236.40	<b>418.43</b>	362.79
Finance Costs.....	<b>144.88</b>	114.51	<b>223.65</b>	165.01
Depreciation and amortization expenses .....	<b>65.82</b>	66.68	<b>118.18</b>	105.49
<b>Profit Before Taxation (PBT)</b> .....	<b>69.12</b>	55.21	<b>76.60</b>	92.29
Taxation (including Deferred Tax).....	<b>7.01</b>	(0.73)	<b>5.87</b>	22.32
<b>Profit after Taxation (PAT)</b> .....	<b>62.11</b>	55.94	<b>70.73</b>	69.97
Less: Minority Interest .....	--	--	<b>4.47</b>	<b>10.94</b>
Less: Share of Loss of associate company .....	--	--	<b>0.05</b>	<b>1.19</b>
Profit brought forward from previous year .....	<b>358.53</b>	<b>316.78</b>	<b>377.54</b>	<b>357.30</b>
<b>Amount available for Appropriations</b> .....	<b>420.64</b>	<b>372.72</b>	<b>443.75</b>	<b>415.14</b>
<b>Appropriations</b> .....				
Proposed Final Dividend on Equity Shares.....	<b>3.28</b>	<b>3.28</b>	<b>4.58</b>	<b>7.28</b>
Interim Equity Dividend .....	--	<b>4.91</b>	--	<b>4.91</b>
Corporate Dividend Tax.....	<b>0.54</b>	--	<b>0.78</b>	<b>2.91</b>
Transfer to General Reserves .....	--	<b>6.00</b>	<b>1.50</b>	<b>22.50</b>
Adjustments for Fixed Assets where useful life as per Schedule-II (Net of taxes) .....	<b>2.35</b>	--	--	--
Depreciation of those assets whose useful life is Nil (Net of taxes) ....	--	--	<b>3.63</b>	--
<b>Total</b> .....	<b>6.17</b>	<b>14.19</b>	<b>10.49</b>	<b>37.60</b>
<b>Net Surplus</b> .....	<b>414.47</b>	358.53	<b>433.25</b>	377.54

### 3. REVIEW OF PERFORMANCE

The financial year 2014-15 was a yet another challenging year due to continued slowdown in Indian Economy and more particularly in Industrial production and infrastructure growth due to lack of demand, stalled projects and broken corporate Balance Sheet. The Iron & Steel Industry went through a difficult period in view of supply constraints of raw material i.e. domestic Iron ore & coal on account of ban of iron ore mining in Orissa and supply of coal to non-regulated sectors by Coal India Ltd which kept the input cost at elevated level on one side and falling finished steel prices on account of cheap imports from China & CIS countries. In the above backdrop, the margin of the industry players contracted. The results of the operating performance of your Company in such challenging & adverse conditions are mentioned below:

#### Stand-alone Operations:

The performance of your Company during the year under review remained satisfactory under the prevailing circumstances and overall slowdown in demand growth. The highlights of the financial performance for the year are as under:

- a) Net Sales Revenue increased by 25.58% to ₹ 1935.05 crores from ₹ 1540.92 crores recorded in previous year.
- b) Operating Profit marginally decreased to 14.46% from 15.34 % achieved in previous year.
- c) PBT increased by 25.19% to ₹ 69.12 crores from ₹ 55.21 crores and net profit after tax remained flat at ₹ 62.11 crores (Previous Year ₹ 55.94 Crores).

#### Consolidated Operations:

- a) Net sales revenue during the FY 2014-15 increased by 13.07% to ₹ 2394.98 crores from ₹ 2118.05 crores recorded in previous year.
- b) EBIDTA Margins increased by 4.26 % to ₹ 378.24 crores (Excluding net gain of ₹ 40.19 crores on sale of Current Investments by Subsidiary Company Hira Ferro Alloys Limited) from ₹ 362.79 crores during previous year, recording operating margin of 15.79 %.
- c) PBT decreased to ₹ 76.60 crores from ₹ 92.29 crores. The consolidated PBT fell on account of higher interest & depreciation cost of new pellet plant and Solar Power plant during the year under review.

The detailed performance and financial review has been given in the Annexure to the Directors Report titled "Management Discussion and Analysis".

### 4. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was ₹ 32.756 Crore. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2015, none of the Directors of the Company hold convertible instruments of the Company.

### 5. DEPOSITS

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

### 6. TRANSFER TO RESERVES

Your Company has not transferred any amount to the General Reserves Account during the Financial Year 2014-15, since the company is proposing a dividend of only 10% on the equity share capital of the company.

The Company had created 25% Debenture Redemption Reserve of ₹ 38.75 crores towards the redemption of outstanding Debentures of ₹ 155 crores as on 31.03.2014. However since the Debentures have been redeemed to the tune of ₹ 60.00 crores during the financial year 2014-15, an amount of ₹ 15.00 crores had been withdrawn from Debenture Redemption Reserve Account and transferred to General Reserve Account leaving a balance of ₹ 23.75 crores which is equivalent to 25% of the outstanding Debentures of ₹ 95 crores as on 31.03.2015 as prescribed under Section 71 of the Companies Act, 2013 read with Rule 7 of the Companies (Share Capital and Debenture) Rules 2014.

### 7. DIVIDEND

Your Directors have pleasure in recommending payment of final dividend @ 10% i.e. Re.1.00 per equity share for the year under review. The total outflow of funds on account of payment of dividend will be ₹ 3.82 crore as compared to ₹ 8.19 crore (25%) during the previous year including dividend tax. Upon approval, the dividend shall be paid to all those shareholders whose names appear in the register of members as on the record date i.e. 31st August, 2015 fixed for payment of dividend.

### 8. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 125 of the Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

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Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 27, 2014 (date of last Annual General Meeting) on the Company's website (www.godawaripowerispat.com), as also on the Ministry of Corporate Affairs' website.

### 9. EXPANSION/NEW PROJECTS:

Expansion cum balancing Plan in Steel Melting (SMS) and Rolling Capacity:

The Company has during year under review slowed down the work on expansion cum balancing plan in steel melting shop and rolling mill in view of lower demand for steel products. However your Company is taking up appropriate steps to complete the project over next 12 months, by the demand conditions are expected to be improved.

#### Mining Projects:

##### Ari Dongri Iron Ore mines:

Your Company is in process of enhancing the capacity of Ari Dongri Iron Ore mines from 7,00,000 TPA to 14,00,000 TPA, for which Stage I & II forest approval from MoEF has been obtained and mining lease has been executed. The production in enhanced capacity is expected to be started in the current year.

##### Boria Tibu Iron Ore mines:

The Company has started mine development cum mining activities at Boria Tibu Iron Ore mines with capacity of 700000 TPA in Chhattisgarh and the developmental activities are going on smoothly. The Company has also started production from this mine and gradually building up the production volumes.

The output from mines will be sufficient to meet the captive iron ore requirement of the Company's production capacities in Chhattisgarh.

#### Coal Mines:

The Company was allotted three Coal Blocks i.e. Nafia, Madanpur (North) & Madanpur (South) in the State of Chhattisgarh in consortium with other companies through JV Company, namely Chhattisgarh Captive Coal Mining Ltd. However, the said Coal Blocks could not start operations in view of pendency of certain administrative approvals and these Coal Blocks were de-allocated by the Ministry of Coal, which was, however, stayed by the Hon'ble High Court of Delhi and the matter has been sub-judice. The allocation of said Coal

Blocks stands cancelled by virtue of the Order dated September 24, 2014 passed by the Hon'ble Supreme Court. The Company has invested ₹ 6.31 crores in the equity capital of JV Company which has been utilised by JV Company for development of said coal blocks. No provision for impairment in value of Investments in JV Company has been made in view of likely realization of amount invested upon reimbursement of cost incurred by the Company from the future allocates of the said coal blocks. The JV Company is also in process of realization of current assets held by it and the amount is expected to be refunded to the shareholders in due course. Accordingly the provision for impairment in value of investment, if any, shall be made as and when the amount of actual loss is determined.

### 10. ALTERATION OF ARTICLES OF ASSOCIATION

Your Company has adopted new set of articles of association in line with the provisions of the Companies Act, 2013. The Shareholders of the Company in their Annual General Meeting held on 27th September, 2014 have accorded their approval for adoption a new set of Articles of Association of the Company by special resolution.

### 11. CHANGES IN NATURE OF BUSINESS:

The Company has been engaged in the business of manufacturing the trading of Iron Ore Pellets, Sponge Iron, Steel Billets, HB Wires and generation of Power. There is no change in the nature of Business of the Company during the Financial Year 2014-15.

### 12. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION:

There are no material changes and commitments affecting the financial position of the company occurred between the 01.04.2015 to the date of this report, except continued slowed down in steel demand and falling prices of finished products on account of pressure from cheaper imports.

### 13. CHANGES IN STATUS OF SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

None of the companies has either become Subsidiary of the Company other than the existing Subsidiaries or has ceased to be Subsidiary of the Company during the Financial Year 2014-15.

Your company has acquired 22,40,000 equity shares of ₹ 10 each of Chhattisgarh Ispat Bhumi Limited during the financial year and the total investments along with existing 5,70,000 equity shares of ₹ 10 each aggregated to 28,10,000 equity shares representing 35.36% of total equity of Chhattisgarh Ispat Bhumi Limited. Your



company also acquired 16,940 equity shares of ₹ 10 each of Godawari Natural Resources Limited aggregating 33.88% and 2605000 equity shares of ₹ 10 each of Jagdamba Power and Alloys Limited aggregating 26.06%. Thus Chhattisgarh Ispat Bhumi Limited and Jagdamba Power and Alloys Limited have become Associate Companies and Godawari Natural Resources Limited has become Joint Venture Company during the year.

Your Company has also not entered into any new Joint Venture nor terminated any existing Joint Venture during the Financial Year 2014-15. There is no Associate company to our company.

#### **14. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY AND JOINT VENTURE COMPANIES:**

The performance and financial position of the company's subsidiaries namely, Ardent Steels Limited, Godawari Green Energy Limited, Hira Ferro Alloys Limited, Associate Companies namely Jagadamba Power & Alloys Limited, Chhattisgarh Ispat Bhumi Limited and Joint Venture Companies namely Raipur Infrastructure Company Limited for the Financial Year 2014-15 are given in ANNEXURE-01. The other subsidiaries namely Godawari Clinkers and Cement Limited, Godawari Energy Limited, Godawari Integrated Steels India Limited and Krishna Global Minerals Limited and the other Joint Venture and Associate Companies namely Godawari Natural Resources Limited and Chhattisgarh Captive Coal Mining Limited have not yet started their operations.

The Financial Statements of the Subsidiary Companies and Joint Venture for the Financial Year 2014-15 have been consolidated.

#### **15. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 (12) read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company is given in ANNEXURE-02. The Statement showing the names and other particulars of the employees of the company as required under Rule 5 (2 & 3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be furnished since none of the employees of the company has received remuneration in excess of the remuneration mentioned in the above mentioned Rule 5 (2) during the financial year 2014-15.

#### **16. CHANGES IN DIRECTORS & KEY MANAGERIAL PERSONS:**

None of the Directors or Key Managerial Persons has been appointed or resigned during the Financial Year 2014-15 except appointment of CA Sanjay Bothra as Chief Financial Officer of the Company with effect from 24.05.2014.

#### **17. CONSTITUTION OF CSR COMMITTEE, CSR POLICY AND INITIATIVES:**

The Board of Directors have constituted a CSR Committee comprising of three directors including one Independent Director on 15.03.2014. The CSR Committee has formulated a CSR policy of the Company for undertaking the activities as specified in Schedule VII to the Companies Act, 2013. The Said policy has been approved and adopted by the Board of directors of the Company, the contents of which have been displayed on the company's website and also given in the Annual Report on CSR activities. (Web link: [www.godawaripowerispat.com](http://www.godawaripowerispat.com))

The Annual Report on CSR activities initiated and undertaken by the Company during the Financial Year 2014-15 is annexed herewith as an ANNEXURE-03.

#### **18. AUDIT COMMITTEE COMPOSITION:**

The Board of Directors have constituted an Audit Committee comprising of four directors including three Independent Directors and one Non-Executive Director all having financial literacy.

#### **19. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 based on the representations received from the operating management and Chief Financial Officer of the company:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That your Directors have selected such accounting policies and applied them consistently, and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
- d) That your Directors have prepared the annual accounts on a going concern basis;
- e) That your Directors had laid down proper internal financial controls to be followed by the company and that such financial controls are adequate and were operating effectively.
- f) That your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively



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### 20. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:

All independent directors of the Company have given declarations as required under the provisions of section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49(II) (B) of the Listing Agreement.

### 21. NUMBER OF MEETINGS OF BOARD:

During the year six Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report.

### 22. AUDITORS:

#### Statutory Auditors

M/s O.P. Singhanian and Co., Chartered Accountants, Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 141 (3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment and also satisfies the criteria as mentioned under Section 141 and they have obtained peer review certificate as required under SEBI Guidelines for appointment of Statutory Auditors of listed companies.

#### Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules 2014 M/s Sanat Joshi & Associates has been appointed as cost auditors for conducting Cost Audit for the financial year 2014-15.

#### Internal Auditors

M/s. JDS & Co, Chartered Accountants were appointed as Internal Auditors for the FY 2014-15.

#### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jain Tuteja & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "ANNEXURE 04".

### 23. AUDITOR'S REPORTS

#### • Statutory Auditors

There are no qualifications, reservations, adverse remarks or disclaimers in the statutory Auditor's Report on the Financial Statements of the company for the financial year 2014-15 and hence does not require any explanations or comments.

#### • Secretarial Audit

There are no qualifications, reservations, adverse remarks or disclaimers in the Secretarial Auditor's Report on Secretarial and other applicable legal compliances to be made by the company for the financial year 2014-15 and hence does not require any explanations or comments.

### 24. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into by the Company during the financial year 2014-15 were on arms length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or related parties which may have a potential conflict with the interest of the company at large.

### 25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans given and Investments made by the company as covered under the provisions of Section 186 of the Companies Act, 2013 are given in Standalone Financial Statements (Ref. Note 13 & 14). The company has not given any corporate guarantees to any other party.

### 26. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "ANNEXURE 05".

### 27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the company and its future operations.

### 28. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

### 29. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "ANNEXURE 06".

### 30. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board of Directors in its meeting held on 11.11.2014 approved and established 'Whistle Blower Policy' and 'Code of Conduct' for the directors & employees of the Company as required under the provisions of Sec. 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014 and Clause-49 of the Listing Agreement.

The said Policy has been properly communicated to all the directors and employees of the Company through the respective departmental heads and the new employees shall be informed about the Vigil Policy by the Personnel Department at the time of their joining.

### 31. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system commensurate with the size and scale and complexity of its operations. The scope and authority of Internal Audit functions have been defined in the Internal Audit Charter to maintain its objectivity and independence, the Internal Audit functions reports to the Chairman of the Audit Committee of the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating system, accounting procedures and policies of the company and its subsidiaries. Based on the report of the Internal Auditors, process owners undertake corrective actions in their respective areas and thereby strengthen the control. Significant Audit observations and corrective actions, thereon are presented to the Audit Committee of the Board.

### 32. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

The Company has adopted a Risk Management Policy to identify and evaluate business risks associated with the operations and other activities of the Company and formulated risk mitigations strategies.

### 33. NOMINATION AND REMUNERATION POLICY.

Company's Policy on Directors appointment and Remuneration including criteria for determining qualification, positive attributes, independence of directors and other matters provided under section 178(3) of the Companies Act, 2013 is attached herewith as ANNEXURE 07.

### 34. ANNUAL EVALUATION OF BOARD, ETC.

The Nomination and Remuneration Committee has formulated criteria for evaluation of the performance of the each of the directors of the company. On the basis of said criteria, the Board and all its committees and directors have been evaluated by the Board of the directors.

### 35. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, Temporary, Training) are covered under this Policy. However no complaints has been received during the year 2014-15.

### 36. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forming an integral part of this Report is given as ANNEXURE 08.

### 37. ACKNOWLEDGEMENTS

The Board expresses its sincere gratitude to the shareholders, bankers, State and Central Government authorities and the valued customers for their continued support. The Board also wholeheartedly acknowledges and appreciates the dedicated efforts and commitment of all employees of the Company.

For and on behalf of Board of Directors

Place: Raipur

Date: 11.08.2015

CHAIRMAN

**ANNEXURE-01 TO DIRECTORS' REPORT  
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED ON 31ST  
MARCH, 2015**

(₹ in Lacs)

Sr. No.	Particulars	Subsidiaries			Associate		Joint Venture
		Godawari Green Energy Ltd.	Ardent Steel Ltd.	Hira Ferro Alloys Ltd.	Jagdamba Power & Alloys Limited	Chhattisgarh Ispat Bhumi Limited	Raipur Infrastructure Company Limited
		31.03.2015 Audited	31.03.2015 Audited	31.03.2015 Audited	31.03.2015 Audited	31.03.2015 Audited	31.03.2015 Audited
1	(a) Net Sales/Income from Operations	10520.18	19284.67	17462.16	415.32	1172.22	526.32
	(b) Other Operating Income	0.00	0.00	0.00	3.15	0.00	0.00
	<b>Total</b>	<b>10520.18</b>	<b>19284.67</b>	<b>17462.16</b>	<b>418.47</b>	<b>1172.22</b>	<b>526.32</b>
2	<b>Expenditure</b>						
	a) (Increase)/decrease in stock in trade and work in progress	0.00	54.11	74.65	0.00	0.00	0.00
	b) Consumption of Stores & Spares Consumables	362.82	9308.67	13972.25	359.11	0.00	0.00
	c) Manufacturing Expenses	191.99	3529.55	1404.37	0.00	0.00	0.00
	d) Purchase of Traded Goods	0.00	0.00	271.58	0.00	0.00	0.00
	e) Employees Benefit Expenses	686.42	769.70	907.69	57.42	73.47	11.05
	f) Depreciation & Amortisation Expenses	2974.78	1311.79	962.23	309.79	936.08	134.77
	g) Other Expenditure	1259.13	3333.02	1730.48	173.65	652.47	126.29
	<b>Total</b>	<b>5475.14</b>	<b>18306.84</b>	<b>19323.25</b>	<b>899.97</b>	<b>1662.02</b>	<b>272.11</b>
3	<b>Profit from operations before Other incomes &amp; exceptional Items (1-2)</b>	<b>5045.04</b>	<b>977.83</b>	<b>(1861.09)</b>	<b>(481.50)</b>	<b>(489.80)</b>	<b>254.21</b>
4	<b>Other Income</b>	<b>232.45</b>	<b>182.50</b>	<b>4081.47</b>	<b>556.85</b>	<b>55.76</b>	<b>40.52</b>
5	<b>Profit before Finance Cost &amp; Exceptional items (3+4)</b>	<b>5277.49</b>	<b>1160.33</b>	<b>2220.38</b>	<b>75.35</b>	<b>(434.04)</b>	<b>294.73</b>
6	<b>Finance Cost</b>	<b>4896.59</b>	<b>2324.73</b>	<b>719.47</b>	<b>113.65</b>	<b>3.02</b>	<b>0.53</b>
7	<b>Profit after Finance Cost but before Exceptional items (5-6)</b>	<b>380.90</b>	<b>(1164.40)</b>	<b>1500.91</b>	<b>(38.30)</b>	<b>(437.06)</b>	<b>294.20</b>
8	<b>Exceptional items (₹)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>137.35</b>
9	<b>Profit/Loss from Operating activities after tax (7-8)</b>	<b>380.90</b>	<b>(1164.40)</b>	<b>1500.91</b>	<b>(38.30)</b>	<b>(437.06)</b>	<b>156.85</b>
10	<b>Tax Expenses</b>	<b>76.21</b>	<b>(520.51)</b>	<b>334.22</b>	<b>3.70</b>	<b>0.67</b>	<b>54.40</b>
11	<b>Net Profit(+)/Loss(-) ordinary Activities after tax (9-10)</b>	<b>304.69</b>	<b>(643.89)</b>	<b>1166.69</b>	<b>(42.00)</b>	<b>(437.73)</b>	<b>102.45</b>
12	<b>Extraordinary items (net of tax expenses ₹)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>76.96</b>	<b>0.00</b>
13	<b>Net Profit (+)/Loss(-) for the period (11-12)</b>	<b>304.69</b>	<b>(643.89)</b>	<b>1166.69</b>	<b>(42.00)</b>	<b>(514.69)</b>	<b>102.45</b>
14	Paid up equity share capital (face value of shares of ₹ 10/- each)	1474.70	1000.00	1958.85	999.57	794.60	39.24
15	Reserves excluding Revaluation reserves as per Balance Sheet of previous accounting year	12052.75	9070.46	12194.03	9164.66	1867.06	1519.43
16	<b>Earning Per Share</b>						
	(a) Basic & Diluted EPS before Extra Ordinary Items	2.09	(6.44)	5.96	(0.42)	(6.47)	26.11
	(b) Basic & Diluted EPS after Extra Ordinary Items	2.09	(6.44)	5.96	(0.42)	(6.47)	26.11

## ANNEXURE-02 TO DIRECTORS' REPORT

1. The Ratio of the remuneration of each Director to the Median Remuneration of the employees of the company for the financial year 2014-15:

Name of Director	Designation	Remuneration	Median Remuneration	Ratio
		₹		
Mr. Biswajit Choudhuri	Independent Director	810000	195744	4.14:1
Mr. Shashi Kumar	Independent Director	640000	195744	3.27:1
Mr. B. N. Ojha	Independent Director	860000	195744	4.39:1
Mr. Harishankar Khandelwal	Independent Director	630000	195744	3.22:1
Ms. Bhavna G. Desai	Independent Director	550000	195744	2.81:1
Mr. B. L. Agrawal	Managing Director	6400000	195744	32.70:1
Mr. Abhishek Agrawal	Executive Director	2800000	195744	14.30:1
Mr. Dinesh Agrawal	Executive Director	2800000	195744	14.30:1
Mr. Vinod Pillai	Executive Director	1080000	195744	5.52:1

2. The percentage increase in remuneration of each Director, CFO, CEO, Company Secretary for the financial year 2014-15 as compared to 2013-14:

Name of Director	Designation	Remuneration	Remuneration	% increase
		2014-15	2013-14	
		₹	₹	
Mr. Biswajit Choudhuri	Independent Director	810000	300000	170.00
Mr. Shashi Kumar	Independent Director	640000	300000	113.33
Mr. B. N. Ojha	Independent Director	860000	300000	186.67
Mr. Harishankar Khandelwal	Independent Director	630000	300000	110.00
Ms. Bhavna G. Desai	Independent Director	550000	0	New
Mr. B. L. Agrawal	Managing Director	6400000	9400000	-31.91
Mr. Abhishek Agrawal	Executive Director	2800000	4950000	-43.43
Mr. Dinesh Agrawal	Executive Director	2800000	5450000	-48.62
Mr. Vinod Pillai	Executive Director	1080000	960000	12.50
Mr. Sanjay Bothra	CFO	2845797	2603050	9.33
Mr. Y.C.RAO	CS	2412536	2153800	12.01

3. The percentage increase in the median remuneration of the employees for the financial year 2014-15 as compared to 2013-14 is 12.16%.
4. No. Of permanent employees on rolls of the company as on 31.03.2015 is 2164.
5. Explanation on the relationship between average increase in remuneration and the company's performance: As against the increase in Turnover of 25% and increase in Earning before Depreciation and Interest of 19% the remuneration has been increased by 12%.
6. Comparison of remuneration of the Key Managerial Personnel against the company's performance: The remuneration of the Managing Director and Executive Directors has been reduced in view of the prevailing market conditions. The remuneration of the CFO and CS has been increased by 9% and 12% respectively which is at par with the increase in the median remuneration.

## GODAWARI POWER & ISPAT LIMITED

7. Variation in the market capitalisation of the Company, price earning ratio as on 31.03.2015 and 31.03.2014 and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	as on 31.03.2015	as on 31.03.2014	Variation
Market Capitalisation as on 31.03.2015 (₹ in Crores).....	<b>316.10</b>	265.49	50.61
P/E. Ratio .....	<b>5.09</b>	4.75	0.34
Last Public Offer price(per share) .....	<b>81</b>	81	
Market Price per share .....	<b>96.5</b>	81.05	15.45
percentage increase in market price (per share).....		19.06	

8. Average percentile increase already made in the salaries of the employees other than KMPs in the 2013-14 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not applicable.
9. Comparison of the remuneration each of the Key Managerial Personnel against the performance of the Company. Already mentioned in para 6.
10. The key parameters for any variable component of remuneration availed by the directors; N.A.
11. The ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during 2014-15:N.A
12. Affirmation:

It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

## ANNEXURE-03 TO DIRECTORS' REPORT

### ANNUAL REPORT ON CSR ACTIVITIES

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.	The CSR Committee has formulated a CSR policy of the Company for undertaking the activities as specified in Schedule VII to the Companies Act, 2013. A copy of the CSR Policy has been posted on the website of the company at <a href="http://www.godawaripowerispat.com">www.godawaripowerispat.com</a> and the weblink has been given in the Corporate Governance Report.
2.	The Composition of the CSR Committee.	The composition of CSR Committee has been given in the Corporate Governance Report.
3.	Average net profit of the company for last three financial years (Amount in lacs)	₹ 8700.26
4.	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (Amount in lacs)	₹ 174.00
5.	Details of CSR spent during the financial year.	₹ 456.49
	1. Total amount to be spent for the F.Y. 2014-15(₹ In lacs)	
	2. Amount unspent , if any;	NIL
	3. Manner in which the amount spent during the financial year :	The manner in which the amount is spent is given below in the prescribed format.
6.	In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	Not applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.	Given in Corporate Governance Report.

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
<b>Please refer Annexure-I</b>							

Sd/-  
**B.L.Agrawal**  
 (Managing director)

Sd/-  
**Shashi Kumar**  
 (Chairman of CSR Committee)

**ANNEXURE-I**
**CSR EXPENSES OF FOR FY: 2014-15**

(Amount ₹ in Lacs)

-1	-2	-3	-4	-5	-6	-7	-8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Operating First Aid Health Centre	Health Care	Peripheral villages of Kachhe Aari Dongri Mines	48	48.87		Red to Green Health services
2	Operational cost on E-Sanskar (Free) Computer Training Center.	Education	For tribal students of Peripheral village Kachhe Parekodo Tekadhora etc	6.9	5.57		Through Nice Tec Education
3	Expenses on Water Tankers for providing Safe Drinking Water	Drinking Water	In the Nearby Villages of Mines during Summer		8.04		Direct
4	Expenses on Water Tankers engaged for maintenance of plantation	Environment	In the Nearby Villages of Mines		5.08		Direct
5	Expenses on Tree Guards , Plantation in Dump Area, Saplings of Plants & Bio Fertilizers etc	Environment Conservation	Peripheral Villages of Kachhe Mines	37	0.16		Direct
6	Expenses on manpower engaged in maintenance of Horticulture & Plantation	Environment	Peripheral villages of Kachhe Aari Dongri Mines		28.55		Direct
7	Deepening & cleaning of ponds in peripheral villages of Kachhe Aari Dongri Mines	Environment	Dafaipara, Wyaner, Kachhe , Saleh Chowk etc	10	10.73		Direct



(Amount ₹ in Lacs)

-1	-2	-3	-4	-5	-6	-7	-8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
8	Construction & cleaning of drains in peripheral villages of Kachhe Aari Dongri Mines	Environment	Kachhe & Parrekodo	2	0.42		Direct
	Manpower engaged for cleaning of drain in village Kachche				0.69		
9	Other misc. infrastructural development initiatives (Road Repairing, Maintenance School Ground & road leveling) drains	Infrastructural Development	Kachhe, Dafaipara, Saleh Chowk & Parrekodo	3	0.46		Direct
10	Construction of culvert on Parekodo road	Infrastructural Development	Village Parrekodo		3.61		Direct
11	Payment to Gram Panchayat Kachhe for Infrastructural Development against dispatch of Raw Material	Infrastructural Development	Peripheral villages of Kachhe Aari Dongri Mines		1.51		Through Gram Panchayat Kachhe
12	Murum Filling, Leveling & Excavation work	Infrastructural Development	Village Kachhe		58.96		Direct
13	Murum Filling, Leveling & Excavation work	Infrastructural Development	village Kachhe, Tekadhora, Saleh Chowk		4.63		Direct
14	Excavation & Leveling Work	Infrastructural Development	Village Kachhe & Salhe chowk		5.21		
15	Educational Trip for the students of Govt. School	Education	Kachhe & Parrekodo	0.9	0.55		Direct

(Amount ₹ in Lacs)

-1	-2	-3	-4	-5	-6	-7	-8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
16	Maintenance of Road	Infrastructural Development	Village Kachhe & Salhe chowk	1.05	3		Direct
17	Clean India Campaign in schools	Sanitation	Village Kachhe & Parekodo		0.04		Direct
18	Maintenance of school building	Infrastructural Development	Village Kachhe	5	0.35		Direct
19	Educational Trip for the students of Govt. School	Education	Kachhe & Parrekodo	0.9	0.55		Direct
20	Monthly Salary of Teachers appointed in the schools	Education	Govt. schools of Kachhe & Parrekodo Gram Panchayat	3.68	6		Through Gram Panchayat
21	Establishment & operational cost of Stitching & Tailoring Center	Women Empowerment	Gram Panchayat Kachhe & Parrekodo	2.65	1.54		Direct
22	Operational cost of Piyau Ghar & manpower engaged in piyau Ghar	Drinking Water	Village Kachhe		0.39		Direct
23	Bore Well repair at village Bhursapara for drinking water	Drinking Water	village Bhursapara	2	0.1		Direct
24	Blanket Distribution as prizes for Sankul Level Sports Competition.	Education	Salhe Chowk, Bhanupratappur		0.49		Direct
25	Piyau hut & drinking water in summer for 3 months & Manpower Engaged in Piyau Hut	Drinking Water	Village Tada, Siltara & Mandhar	5.1	4.79		Direct

(Amount ₹ in Lacs)

-1	-2	-3	-4	-5	-6	-7	-8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
26	Grant-In-Aid For Smooth Functioning Of Aakanksha (A school for mentally handicapped) School Aid For FY: 2014-2015	Education	Raipur City	12	12		Direct
27	Providing salary of 01 night guard & 02 teachers of Govt. Primary & Middle School	Education	Village Siltara & Mandhar	1.61	1.54		Direct
28	Cleaning of main naala before monsoon	Environment/Community Development	Village Tada, Akoli & Nagargaon	5	3.93		Direct
29	Organized A Health Camp To Detect Jaundice	Health Care	Raipur City	5	0.53		Red to Green Services
30	Financial assistance for master piyush for admission in Aakanksha (A school for mentally handicapped)	Education	Raipur City		0.12		Direct
31	Sponsorship for education of 05 students Blind Organisation Of India	Education	New Delhi		0.3		Direct

(Amount ₹ in Lacs)

-1	-2	-3	-4	-5	-6	-7	-8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
32	Purchase of saplings for plantation under Hariyar Chhattisgarh (Plantation Drive) of State Govt. for environment conservation	Environment Conservation	Durg, Balod, Kanker, Rajnandgaon & Raipur		5.38		Direct
33	Manpower engaged in plantation work under CSR	Environment Conservation	Peripheral villages of Company		2.26		Direct
34	Supply of water through water tanker for plantation	Environment Conservation	Peripheral villages of Company		0.15		Direct
35	Plantation for Gram Panchayat	Environment Conservation	Village Mandhar		0.15		Direct
36	Plantation work outside plant	Environment Conservation	Peripheral villages of GPIL		2.97		Direct
37	Aakanksha School	Education	Raipur City		0.26		Direct
38	Construction of school gate	Infrastructure	Village Tada	15	0.29		Direct
39	Construction Of Cultural Stage	Infrastructure Development	Village-Siltara		2.15		Direct
40	Construction of road	Infrastructure Development	Village Tada		0.88		Direct
41	Construction work of Bada Talab at Tada Village	Infrastructure Development	Village Tada		1.05		Through Sarpanch Gram Panchayat Tada
42	Construction of muktidham road.	Infrastructure Development	Village-Siltara		0.13		

(Amount ₹ in Lacs)

-1	-2	-3	-4	-5	-6	-7	-8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
43	Man power supply for maintenance of canal.	Infrastructure	Village Akoli		0.15		Direct
44	Digging of pond	Environment/Community Development	Village Tada		1.51		Direct
45	Pond development	Environment/Community Development	Village Tada		1.75		Direct
46	Inauguration of Stitching & tailoring center	Women Empowerment/Skill Development	Village Baklitola	0.95	0.21		Direct
47	Provides submersible pump in shaheed niyogi school	Education	Village Gidhali		0.13		Direct
48	Providing Salary Of 01 Teacher & 01 peon of Govt. School of Village Jharantola	Education	Peripheral villages of Gidhali Plant	0.5	0.23		Direct
49	Establishment & Operational cost of First Aid Health Center, Dorba (furniture)	Health Care	Village Dorba	42	32.3		Red to Green Health services
50	32 Community Teachers engaged in Govt. Primary, Middle & High schools of Nearby Villages of Boria Tibu Mines for the session 2014	Educational Support	Peripheral villages of Boria Mines	10	12.68		Direct
51	Construction of Hume Pipe Culvet & road .	Infrastructural Development	Village Dorba		31.46		Direct

(Amount ₹ in Lacs)

-1	-2	-3	-4	-5	-6	-7	-8
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
52	Expenses on Road & Bridge	Infrastructural Development	Village Bhatgaon		0.76		Direct
53	Construction of concrete stand for water tank for drinking water	Drinking Water	Village Boria		0.47		Direct
54	Construction of road (Approx. 6.5 km)	Infrastructural Development	Dorba to Adjaal		13.19		Direct
55	Repairing of Bridge	Infrastructural Development	Village Dorba	30	0.25		Direct
56	Establishment & Operational Cost of Stitching & Tailoring Center	Women Empowerment/Skill Development	Village Dorba	1.5	0.88		Direct
57	Purchase of saplings for plantation	Environment	Nearby villages of Boria	10	1.8		Direct
58	Manpower engaged for plantation	Environment	Nearby villages of Boria		0.92		Direct
59	Development of Garden & Fountain.	Environment	Raipur		23.81		Direct
60	Maintenance & other expenses on garden, lights & fountain	Environment	Kabir Nagar, RKC, CSEB, Ghadi Chowk, VIP Road, Raipur		45.32		Direct
61	Expenses on Airport Garden Maintenance	Environment			1.73		Direct
62	Maintenance of Garden	Environment	Tatibandh, Raipur		44.22		Direct
63	Plantation & Landscape Development work	Environment	Urla, Raipur		8.34		
			<b>Total</b>	<b>261.74</b>	<b>456.49</b>		

## **ANNEXURE-04 TO DIRECTORS' REPORT**

### **SECRETARIAL AUDIT REPORT**

**FORM NO. MR-3**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

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

To,

The Members,  
Godawari Power & Ispat Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godawari Power & Ispat Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of Godawari Power & Ispat Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of information provided to us, the Company has, during the audit period covering the financial year ended March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder; to the extent of External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993,
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- vi. The following Acts are specially applicable to the Company:
  - i) Mines Act, 1952;
  - ii) Mines and Minerals (Development & Regulation) Act, 1957;
  - iii) Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Cess Act, 1976;
  - iv) Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Fund Act, 1976;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the year under report:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009,
- b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;



d. The Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999;

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

- (i) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and During the period under review the Company has complied with the all applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not taken any actions having a major bearing on the Company's affairs in pursuance of the above applicable laws, rules, regulations, guidelines, standards etc. referred to above except redemption of non-convertible debenture of ₹ 60 crores during the period under Audit.

**FOR JAIN AND TUTEJA ASSOCIATES**

**Tanveer Kaur Tuteja**

(Partner)

Practicing Company Secretary

M. No.:7704

C. P. No.:8512

Place: Raipur

Date: 16.05.2015

## ANNEXURE-05 TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2015

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

I. REGISTRATION AND OTHER DETAILS	
CIN	L27106CT1999PLC013756
Registration Date :	21.09.1999
Name of the Company:	GODAWARI POWER AND ISPAT LIMITED
Category / Sub-Category of the Company:	COMPANY LIMITED BY SHARES
Address of the Registered office and contact details:	PLOT NO.428/2, PHASE- 1, INDUSTRIAL AREA, SILTARA, RAIPUR (C.G), Ph. No 0771 408233
Whether listed company:	YES (LISTED)
Name, Address and Contact details of Registrar and Transfer Agent, if any:	LINK INTIME INDIA PRIVATE LIMITED C-13, PANNALAL SILK MILLS COMPOND, L.B.S MARG BHANDUP (WEST), MUMBAI, 400078 Ph. No. 022-25963838

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Iron Ore Pellets	13100	40%
2	Sponge Iron	27120	21%
3	Steel Billets	27141	13%
4	H.B. Wires	27181	15%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Equity shares held	Applicable Section
1.	Godawari Green Energy Limited	U40102CT2009PLC021285	SUBSIDIARY	100.00%	2(87)
2.	Godawari Clinkers & Cement limited	U26940CT2008PLC020925	SUBSIDIARY	100.00%	2(87)
3.	Krishna Global & Mineral Limited	U13200CT2008PLC020673	SUBSIDIARY	100.00%	2(87)
4.	Godawari Integrated Steel (India) Limited	U27100CT2010PLC022146	SUBSIDIARY	100.00%	2(87)
5.	Ardent Steel Limited	U27310MH2007PLC194166	SUBSIDIARY	75.00%	2(87)
6.	Godawari Energy limited	U40100CT2008PLC020552	SUBSIDIARY	51.30%	2(87)
7.	Hira Ferro Alloys Limited	U27101CT1984PLC005837	SUBSIDIARY	51.26%	2(87)
8.	Chhattisgarh Ispat Bhumi Limited	U45303CT2004PLC017186	ASSOCIATE	35.36%	2(6)
9.	Jagdamba Power & Alloys Limited	U27104CT1999PLC013744	ASSOCIATE	26.06%	2(6)

# GODAWARI POWER & ISPAT LIMITED

## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	17925684	0	17925684	54.72	17925684	0	17925684	54.72	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2205169	0	2205169	6.73	2205169	0	2205169	6.73	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other/PAC (Trust)	1125000	0	1125000	3.43	1125000	0	1125000	3.43	0
<b>Sub-total (A) (1):-</b>	<b>21255853</b>	<b>0</b>	<b>21255853</b>	<b>64.89</b>	<b>21255853</b>	<b>0</b>	<b>21255853</b>	<b>64.89</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	<b>21255853</b>	<b>0</b>	<b>21255853</b>	<b>64.89</b>	<b>21255853</b>	<b>0</b>	<b>21255853</b>	<b>64.89</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	1911218	0	1911218	5.83	1865927	0	1865927	5.70	(0.13)
b) Banks / FI	213590	0	213590	0.65	220416	0	220416	0.67	(0.02)
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	23032	0	23032	0.07	1532	0	1532	0.00	(0.07)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0		
i) Others (specify)	0	0	0	0	0	0	0		
<b>Sub-total (B)(1):-</b>	<b>2147840</b>	<b>0</b>	<b>2147840</b>	<b>6.56</b>	<b>2087875</b>	<b>0</b>	<b>2087875</b>	<b>6.37</b>	<b>(0.19)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1790723		1790723	5.47	1635519		1635519	4.99	(0.48)
ii) Overseas	0		0	0	0		0		
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4912806	597	4913403	15.00	4778220	687	4778907	14.59	(0.41)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2272581	0	2272581	6.94	2042618	0	2042615	6.24	(0.70)
c) Others									
i) Clearing Member	114506	0	114506	0.35	75668	0	75668	0.23	(0.12)
ii) Trust	100	0	100	0.00	100	0	100	0.00	0
iii) NRI (Rebate)	203489	0	203489	0.62	206753	0	206753	0.63	0.01
iv) NRI (Non Rebate)	31963	0	31963	0.10	58057	0	58057	0.18	0.08
v) other Director	25789	0	25789	0.08	614900	0	614900	1.88	1.80
<b>Sub-total (B)(2):-</b>	<b>9351957</b>	<b>597</b>	<b>9352554</b>	<b>28.55</b>	<b>9411832</b>	<b>687</b>	<b>9412519</b>	<b>28.74</b>	<b>0.19</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>11499797</b>	<b>597</b>	<b>11500394</b>	<b>35.11</b>	<b>11499707</b>	<b>687</b>	<b>11500394</b>	<b>35.11</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>32755650</b>	<b>597</b>	<b>32756247</b>	<b>100.00</b>	<b>32755560</b>	<b>687</b>	<b>32756247</b>	<b>100.00</b>	<b>0</b>

**i) Category-wise Share Holding**

**(B) Shareholding of Promoters**

S. NO	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Dinesh Agrawal	1846347	5.64	732500	1846347	5.64	732500	0
2	Hira Infra-Tek Limited	1790652	5.47	0	1790652	5.47	0	0
3	Bajranglal Agrawal	1731398	5.29	625000	1731398	5.29	625000	0
4	Sarita Devi Agrawal	1325729	4.05	0	1325729	4.05	0	0
5	Hanuman Prasad Agrawal	1255000	3.83	625000	1255000	3.83	625000	0
6	Bajrang Lal Agrawal	1183347	3.61	0	1183347	3.61	0	0
7	Dinesh Kumar Gandhi	1125000	3.43	0	1125000	3.43	0	0
8	Kumar Agrawal	1038398	3.17	0	1038398	3.17	0	0
9	Reena Agrawal	1028750	3.14	0	1028750	3.14	0	0
10	Madhu Agrawal	940000	2.87	0	940000	2.87	0	0
11	Jagdish Prasad Agrawal	879996	2.69	0	879996	2.69	0	0

## GODAWARI POWER & ISPAT LIMITED

S. NO	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
12	Abhishek Agrawal	817466	2.50	0	817466	2.50	0	0
13	Kanika Agrawal	796771	2.43	0	796771	2.43	0	0
14	N P Agrawal	769346	2.35	747500	769346	2.35	747500	0
15	Rashmi Agrawal	689059	2.10	0	689059	2.10	0	0
16	Suresh Agrawal	625000	1.91	0	625000	1.91	0	0
17	Siddharth Agrawal	597119	1.82	0	597119	1.82	0	0
18	Godawari Agrawal	596958	1.82	0	596958	1.82	0	0
19	Vinay Agrawal	500000	1.53	0	500000	1.53	0	0
20	Narayan Prasad Agrawal	475000	1.45	0	475000	1.45	0	0
21	Hira Cement Limited	414517	1.27	0	414517	1.27	0	0
22	Pranay Agrawal	250000	0.76	0	250000	0.76	0	0
23	Prakhar Agrawal	232500	0.71	0	232500	0.71	0	0
24	Dinesh Agrawal	150000	0.46	0	150000	0.46	0	0
25	Agrawal Nancy	100000	0.31	0	100000	0.31	0	0
26	Suresh Kumar Agrawal HUF	97500	0.30	0	97500	0.30	0	0
	Total	21255853	64.89	2730000	21255853	64.89	2730000	0

### C. Change in Promoters' Shareholding (please specify, if there is no change)

S. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	21255853	64.89	21255853	64.89
2	Date wise Increase / Decrease in Promoters Share holding during the year. Specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0 N.A.	0 N.A.	0 N.A.	0 N.A.
3	At the End of the year	21255853	64.89	21255853	64.89

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

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>ICICI Prudential Value Discovery Fund</b>					
A	At the beginning of the year					
	As on 01.04.2014		1911218	5.8347	1911218	5.8347
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	09.05.2014	transfer	-500000	-1.526	1411218	4.308
	09.05.2014	transfer	500000	1.526	1911218	5.835
	16.05.2014	transfer	-1411218	-4.308	500000	1.526
	16.05.2014	transfer	1411218	4.308	1911218	5.835
	05.09.2014	transfer	-2891	-0.009	1908327	5.826
	12.09.2014	transfer	-4137	-0.013	1904190	5.813
	19.09.2014	transfer	-225688	-0.689	1678502	5.124
	06.02.2015	transfer	4838	0.015	1683340	5.139
	13.02.2015	transfer	208308	0.636	1891648	5.775
	20.02.2015	transfer	18489	0.056	1910137	5.831
	27.02.2015	transfer	-44210	-0.135	1865927	5.696
C	At the End of the year ( or on the date of separation, if separated during the year)					
	As on 31.03.2015		1865927	5.696	1865927	5.696

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>2</b>	<b>DEENBANDHU JALAN</b>					
A	At the beginning of the year					
	As on 01.04.2014		366597	1.1192	366597	1.1192
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	04.04.2014	transfer	3767	0.0115	370364	1.1307
	11.04.2014	transfer	1681	0.0051	372045	1.1358
	18.04.2014	transfer	500	0.0015	372545	1.1373
	25.04.2014	transfer	1229	0.0038	373774	1.1411
	02.05.2014	transfer	1800	0.0055	375574	1.1466
	09.05.2014	transfer	6388	0.0195	381962	1.1661
	16.05.2014	transfer	12383	0.0378	394345	1.2039
	23.05.2014	transfer	3775	0.0115	398120	1.2154
	20.06.2014	transfer	1550	0.0047	399670	1.2201
	30.06.2014	transfer	6784	0.0207	406454	1.2408
	04.07.2014	transfer	8016	0.0245	414470	1.2653

## GODAWARI POWER & ISPAT LIMITED

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>2</b>	<b>DEENBANDHU JALAN</b>					
	11.07.2014	transfer	-300	-0.0009	414170	1.2644
	18.07.2014	transfer	217	0.0007	414387	1.2651
	25.07.2014	transfer	6406	0.0196	420793	1.2846
	01.08.2014	transfer	159	0.0005	420952	1.2851
	22.08.2014	transfer	472	0.0014	421424	1.2865
	29.08.2014	transfer	3307	0.0101	424731	1.2966
	12.09.2014	transfer	2057	0.0063	426788	1.3029
	30.09.2014	transfer	698	0.0021	427486	1.3051
	17.10.2014	transfer	3719	0.0114	431205	1.3164
	31.10.2014	transfer	300	0.0009	431505	1.3173
	14.11.2014	transfer	953	0.0029	432458	1.3202
	21.11.2014	transfer	384	0.0012	432842	1.3214
	28.11.2014	transfer	691	0.0021	433533	1.3235
	05.12.2014	transfer	200	0.0006	433733	1.3241
	12.12.2014	transfer	200	0.0006	433933	1.3247
	19.12.2014	transfer	422	0.0013	434355	1.3260
	31.12.2014	transfer	208	0.0006	434563	1.3267
	16.01.2015	transfer	-250	-0.0008	434313	1.3259
	23.01.2015	transfer	-600	-0.0018	433713	1.3241
	06.02.2015	transfer	74	0.0002	433787	1.3243
	13.02.2015	transfer	651	0.0020	434438	1.3263
	20.02.2015	transfer	43	0.0001	434481	1.3264
	27.02.2015	transfer	1415	0.0043	435896	1.3307
	06.03.2015	transfer	100	0.0003	435996	1.3310
C	At the End of the year ( or on the date of separation, if separated during the year)					
	As on 31.03.2015		435996	1.331	435996	1.331

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>3</b>	<b>RAPID ESTATES PVT LTD</b>					
A	At the beginning of the year					
	As on 01.04.2014		0	0.00000	0	0.0000
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	31.03.2015	transfer	303500	0.9265	303500	0.9265
C	At the End of the year ( or on the date of separation, if separated during the year)					
	As on 31.03.2015		303500	0.9265	303500	0.9265



Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>4</b>	<b>ALLAHABAD BANK</b>				
A	At the beginning of the year				
	As on 01.04.2014	213590	0.6521	213590	0.6521
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	0	0	0	0	0.0000
C	At the End of the year ( or on the date of separation, if separated during the year)				
	As on 31.03.2015	213590	0.6521	213590	0.6521

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>5</b>	<b>SECURITIES HOLDINGS INDIA PRIVATE LIMITED</b>				
A	At the beginning of the year				
	As on 01.04.2014	159929	0.48824	159929	0.4882
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	0	0	0	0	0.0000
C	At the End of the year ( or on the date of separation, if separated during the year)				
	As on 31.03.2015	159929	0.4882	159929	0.4882

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>6</b>	<b>MADHUSUDAN KELA</b>				
A	At the beginning of the year				
	As on 01.04.2014	114000	0.34803	114000	0.3480
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	22.08.2014	transfer	21473	0.0656	135473
C	At the End of the year ( or on the date of separation, if separated during the year)				
	As on 31.03.2015	135473	0.4136	135473	0.4136

## GODAWARI POWER & ISPAT LIMITED

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>7</b>	<b>RAJNI TARUN JAIN</b>				
A	At the beginning of the year				
	As on 01.04.2014	93850	0.28651	93850	0.2865
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	13.02.2015	transfer	40000	0.1221	133850
					0.4086
C	At the End of the year ( or on the date of separation, if separated during the year)				
	As on 31.03.2015	133850	0.4086	133850	0.4086
<b>8</b>	<b>VIMLA S JAJOO</b>				
A	At the beginning of the year				
	As on 01.04.2014	0	0.00000	0	0.0000
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	16.01.2015	transfer	101600	0.3102	101600
	30.01.2015	transfer	16599	0.0507	118199
					0.3608
C	At the End of the year ( or on the date of separation, if separated during the year)				
	As on 31.03.2015	118199	0.3608	118199	0.3608
<b>9</b>	<b>ANKIT JAJOO</b>				
A	At the beginning of the year				
	As on 01.04.2014	0	0.00000	0	0.0000
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	16.01.2015	transfer	99607	0.3041	99607
	30.01.2015	transfer	16800	0.0513	116407
					0.3554
C	At the End of the year ( or on the date of separation, if separated during the year)				
	As on 31.03.2015	116407	0.3554	116407	0.3554

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	<b>SURESH K JAJOO</b>				
A	At the beginning of the year				
	As on 01.04.2014	0	0.00000	0	0.0000
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	16.01.2015	transfer	101600	0.3102	101600 0.3102
	23.01.2015	transfer	16600	0.0507	118200 0.3608
	20.02.2015	transfer	-3621	-0.0111	114579 0.3498
C	At the End of the year ( or on the date of separation, if separated during the year)				
	As on 31.03.2015	114579	0.3498	114579	0.3498

#### E. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Shri B.L. Agrawal</b>				
1	At the beginning of the year	1731398	5.29	1731398	5.29
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
		NIL	NIL	NIL	NIL
3	At the End of the year	1731398	5.29	1731398	5.29

Sl. No.	Name of Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Shri Abhishek Agrawal</b>				
1	At the beginning of the year	817466	2.50	817466	2.50
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
		Nil	Nil	Nil	Nil
3	At the End of the year	817466	2.50	817466	2.50

Sl. No.	Name of Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Shri Dinesh Agrawal</b>				
1	At the beginning of the year	1846347	5.64	1846347	5.64
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
		Nil	Nil	Nil	Nil
3	At the End of the year	1846347	5.64	1846347	5.64

## GODAWARI POWER & ISPAT LIMITED

Sl. No.	Name of Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	<b>Ms. Bhavna Govindbhai Desai</b>					
A	At the beginning of the year					
	As on 01.04.2014	477900	1.45896	477900	1.4590	
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	23.01.2015	transfer	-10000	-0.0305	467900	1.4284
	20.03.2015	transfer	70	0.0002	467970	1.4286
	27.03.2015	transfer	9930	0.0303	477900	1.4590
C	At the End of the year ( or on the date of separation, if separated during the year)					
	As on 31.03.2015	477900	1.4590	477900	1.4590	

Sl. No	Name of Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	<b>Shri Dinesh Kumar Gandhi</b>					
A	At the beginning of the year					
	As on 01.04.2014	24789	0.07568	24789	0.0757	
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	09.04.2014	transfer	2211	0.0067	27000	0.0824
	13.03.2015	transfer	9000	0.0275	36000	0.1099
C	At the End of the year ( or on the date of separation, if separated during the year)					
	As on 31.03.2015	36000	0.1099	36000	0.1099	

Sl. No.	Name of Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Shri Hari Shankar Khandelwal</b>				
1	At the beginning of the year				
		1000	0.00	1000	0.00
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
		Nil	Nil	Nil	Nil
3	At the End of the year				
		1000	0.00	1000	0.00

Sl. No.	Name of Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Y.C. Rao	17668	0.05	17668	0.05
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
		Nil	Nil	Nil	Nil
3	At the End of the year	17668	0.05	17668	0.05

Note: The other Directors and Key Managerial Personnel were not holding any shares in the company at the beginning and they neither acquired/sold any shares during the financial year nor holding any shares at the end of the financial year.

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	8911567085	0	0	8911567085
ii) Interest due but not paid	8553546			8553546
iii) Interest accrued but not due	81620802			81620802
<b>Total (i+ii+iii)</b>	<b>9026671523</b>	<b>0</b>	<b>0</b>	<b>9026671523</b>
Change in Indebtedness during the financial year				
• Addition	3914705446	0	0	3914705446
• Reduction	3560873356			3560873356
<b>Net Change</b>	<b>353832091</b>	<b>0</b>	<b>0</b>	<b>353832091</b>
Indebtedness at the end of the financial year				
i) Principal Amount	9265399176	0	0	9265399176
ii) Interest due but not paid	18951607			18951607
iii) Interest accrued but not due	62187948			62187948
<b>Total (i+ii+iii)</b>	<b>9346538731</b>	<b>0</b>	<b>0</b>	<b>9346538731</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount (In ₹)
		B.L. Agrawal (MD)	Dinesh Agrawal (WTD)	Dinesh Gandhi (WTD upto 09.11.2013)	Abhishek Agrawal (WTD)	Vinod Pillai (WTD)	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2400000	1800000	NIL	1800000	1080000	7080000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961						
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	4000000	1000000	NIL	1000000	NIL	6000000
5	Others, please specify	-	-	-	-	-	-
	Total (A)	6400000	2800000	NIL	2800000	1080000	13080000
	Ceiling as per the Act	₹ 6,91,18,736 being 10% of Net Profit calculated as per provisions of Sec. 197 & 198 of the Companies Act, 2013.					

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		B. Choudhuri	B.N. Ojha	Shashi Kumar	Harishankar Khandewal	Miss Bhavna Govindbhai Desai	
1.	3. Independent Directors						
	· Fee for attending board / committee meetings	310000	360000	140000	130000	150000	1090000
	· Commission	500000	500000	500000	500000	400000	2400000
	· Others, please specify						
	<b>Total (1)</b>	<b>810000</b>	<b>860000</b>	<b>640000</b>	<b>630000</b>	<b>550000</b>	<b>3490000</b>
	4. Other Non-Executive Directors						
	· Fee for attending board / committee meetings	0.00	0.00	0.00	0.00	0.00	0.00
	· Commission						
	· Others, please specify						
	<b>Total (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total (B)=(1+2)</b>	<b>810000</b>	<b>860000</b>	<b>640000</b>	<b>630000</b>	<b>550000</b>	<b>3490000</b>
	<b>Total Managerial Remuneration</b>	<b>810000</b>	<b>860000</b>	<b>640000</b>	<b>630000</b>	<b>550000</b>	<b>3490000</b>
	Overall Ceiling as per the Act	₹ 69,11,874 being 1% of Net Profit calculated as per provisions of Sec. 197 & 198 of the Companies Act, 2013.					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Name of KMP		Total
		Y.C. Rao (Company Secretary)	Sanjay Bothra (CFO)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2412536	2845797	5258333
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission – as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NA	NA	NA
	<b>Total</b>	<b>2412536</b>	<b>2845797</b>	<b>5258333</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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



**ANNEXURE-06 TO THE DIRECTOR'S REPORT**

**(A) CONSERVATION OF ENERGY-**

(i) the steps taken or impact on conservation of energy:

**Steps Taken:**

1. Replacement of both ID Fan of WHRB-2 (02 Nos.).
2. Replacement of both ID Fan of AFBC-1 (02 Nos.).
3. Replacement of both FD Fan of AFBC-1 (02 Nos.).
4. For separation of instrument air at 8 kg/cm<sup>2</sup> and service air at 6 kg/cm<sup>2</sup> by Installation of new 1000 cfm compressor at Ph-1 and which given ultimate result in power saving.
5. Flow meter was purchased to measure water flow of heat exchanger/condenser.
6. Reduced the specific power consumption by 5 units /MT in the Pellet Plant by implementing VFD drives and auto control close loop system in pumps and compressors and by doing modification in water pipe line (removed 90 KW motor).
7. Reduced the oil consumption to 5kg/MT from 15 KG/MT earlier using 90% Producer Gas.
8. Sintering Panels installed for IF-8, 9 &10.
9. Raw material feeding by Conveyor, modification done for IF-6, 7, 8, 9 & 10.
10. Installation of AC Drive for Kiln-1 Root Blower.
11. SID Phase-3 Bypass Bagfilter Drive installation.
12. Replacement of Root Blower by Screw Bower with Drive.
13. For Kiln-1 SAF, all motors rating changed to 22 KW in place of 30 KW.
14. For Kiln-2 CB Fan, motor rating changed to 30 KW in place of 55 KW.

**The impact of above measures:-**

1. Power Consumption for those drives (ID&FD Fans) reduced by 20% in Power Plant.
2. Annual Saving will be around ₹ 51.5 lacs due to reduction in Power Consumption.
3. Availability increased to 100%.
4. Consistency improved and maintained.
5. Frequency drive will work efficiently because in compressors it was not possible to run in frequency drive mode due to common service air/instrument air pressure. Now it is separated.
6. Annual Saving will be around ₹ 15.9 lacs /yr due to reduction in service air pressure.
7. Saving in maintenance cost of ash handling system will be around ₹ 3.00 lacs per annum
8. Pay Back Period or R.O.I will be 2-3 years for all above measures.
9. Flow meter is very beneficial to asses actual quantity of cooling water required for particular operation .It is also required for internal energy audit of pumps.
10. After installation of MOP in Turbine-04 annual saving will be around ₹ 14.5 lacs against saving of power consumed for Auxiliary Oil Pump. It will also improve redundancy of plant at the time of black out, as turbine will not trip along with generator due to non-availability of Power for Auxiliary Oil Pump and we can immediately resume power if steam is available from WHRB and then we can also start AFBC boiler sequentially.
11. By starting Sintering Panel sintering time has been reduced by 45 min & furnace take full power from starting of Heat.
12. By feeding Raw material with Hopper, feeding is continuous to furnace without any interruption and makes process faster. Total 15 to 20 Units/MT saved.
1. By Installation of AC Drive for Kiln-1 Root Blower Specific power consumption reduced to 340KWH per day.
2. By SID Phase-3 Bypass Bag filter Drive installation Specific power consumption reduced to 900KWH per day.
3. By Replacement of Root Blower by Screw Bower with Drive Specific power consumption reduced to 180KWH per day.
4. By changing Kiln-1 SAF motors, the problem occurred during the campaign of old 30 KW motors is shorted out as well as specific power consumption also reduced to 600KWH per day.
5. By changing Kiln-2 CB Fan motor, the problem occurred during the campaign of old 55 KW motor is shorted out as well as specific power consumption also reduced to 100KWH per day.

(ii) the steps taken by the company for utilising alternate sources of energy;	None.
(iii) the capital investment on energy conservation equipments;	₹ In lacs.
1. Installation of VFD's in all CT Fan (12 Nos.) in Cooling Tower.	26.00
2. Installation of VFD's in Compressor (01 Nos.).	7.00
3. Installation of MOP (01 Nos.) for Turbine-04.	15.50
4. Sintering Panel installed.	57.00
5. Conveyor modification.	6.00
6. Installation of AC Drive for Kiln-1 Root Blower.	4.00
7. SID Phase-3 Bypass Bag filter Drive installation.	10.00
8. Replacement of Root Blower by Screw Bower with Drive.	3.00
9. For Kiln-1 SAF, all motors rating changed to 22 KW from 30 KW.	4.00
10. For Kiln-2 CB Fan, motor rating changed to 30 KW from 55 KW.	1.00
<b>(B) TECHNOLOGY ABSORPTION-</b>	
(i) the efforts made towards technology absorption;	None
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	None
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	None
(a) the details of technology imported;	NA
(b) the year of import;	NA
(c) whether the technology been fully absorbed;	NA
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
(iv) the expenditure incurred on Research and Development.	NA
<b>(C) FOREIGN EXCHANGE EARNINGS AND OUTGO-</b>	₹ In lacs
The Foreign Exchange earned in terms of actual inflows during the year	Nil
Foreign Exchange outgo during the year in terms of actual outflows.	13305

**ANNEXURE-07 TO DIRECTORS' REPORT  
NOMINATION AND REMUNERATION POLICY****1. OBJECTIVE**

This Nomination and Remuneration Policy has been framed in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

**2. DEFINITIONS**

2.1. "Committee" means Nomination and Remuneration Committee.

2.2. "Senior Management Personnel" means Senior Management means personnel of the company who are members of its core management team including Functional Heads.

**3. NOMINATION POLICY**

- i. The Committee shall identify persons who possess adequate qualification, expertise and experience for the position he/she is considered for appointment as Director, Key Managerial Personnel (KMP) or at Senior Management level Personnel (SMP) and recommend to the Board his/her appointment.
- ii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders.

**4. Term / Tenure**

The Company shall appoint or re-appoint any person as its Managing Director, Executive Director, Independent Director or Non-executive Director for a term not exceeding period as mentioned in the Companies Act, 2013 or any amendment made from time to time.

**5. Evaluation**

The Committee shall review the performance of every Director at regular interval or at least once in a year.

**6. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and

regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

**7. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

**8. REMUNERATION POLICY**

The remuneration, compensation, commission, sitting fee, etc. to the Directors, KMP and SMP will be determined by the Committee and recommended to the Board for approval subject to limitations mentioned in the Companies Act, 2013 and the amendments made therein from time to time. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

**9. AMENDMENTS**

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Committee.

**10. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

**11. DISSEMINATION OF POLICY**

This policy shall be disclosed in the annual report of the Company.

**12. EFFECTIVE DATE**

This Policy shall come into force on 14.03.2015.

## ANNEXURE-08 TO DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT:

The Board of Directors of the company pays utmost importance on the broad principles of Corporate Governance. The company is complying with all the disclosure norms and requirements under clause 49 of the Stock Exchange Listing Agreement.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Code of Corporate Governance is the means of achieving Corporate Objectives. The Company believes that maintenance of Code of Corporate Governance is essential for economic growth of the Company and protecting the interest of all the Stakeholders. Therefore, the Company is trying its best to follow the Code of Corporate Governance.

### BOARD OF DIRECTORS:

The Board of Directors has a combination of Executive and Non-Executive Directors. The Board comprises of four Whole-time Directors (the Managing Director and three Executive Directors) and six Non-executive Directors. The Chairman of the Board is an Independent Director. Five of the Non-executive Directors are Independent Directors including a Woman Director. Accordingly, the composition of the Board is in conformity with the Listing Agreement and the provisions of the Companies Act, 2013.

Except the Independent Directors who were appointed as such at the previous Annual General Meeting of the Company held on 27th September, 2014 for a period of 5 years and the Managing Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

The names and categories of the Directors on the Board and also the number of Directorships and Committee Memberships held by them during 2014-15 in other Companies are as under:

Name of the Directors	Category of Directors	No. of other Directorship held	No. of Board Meetings attended	Last AGM attended	No. of other Board committees Member *	No. of other Board committees Chairman*
Mr. B. Choudhuri	Chairman, Non-Executive, Independent	06	06	Present	04	05
Mr. B.L. Agrawal	Managing Director - Executive (Promoter)	07	06	Absent	Nil	Nil
Mr. Dinesh Agrawal	Executive (Promoter)	10	01	Present	Nil	Nil
Mr. Abhishek Agrawal	Executive (Promoter)	03	05	Present	Nil	Nil
Mr. Vinod Pillai	Executive	04	04	Present	Nil	Nil
Mr. Dinesh Gandhi	Non-Executive	05	06	Present	02	01
Mr. Shashi Kumar	Non-Executive, Independent	03	03	Absent	Nil	Nil
Mr. B. N. Ojha	Non-Executive, Independent	05	06	Present	04	02
Mr. Harishankar Khandelwal	Non-Executive, Independent	04	04	Absent	Nil	Nil
Ms. Bhavna G. Desai	Non-Executive, Independent	03	04	Present	Nil	02

\* includes membership/Chairmanship of Audit Committee & Stakeholders Relationship Committees only.

### Changes in the composition of Directors during the year:

During the year under review, Mr. Biswajit Choudhuri, Mr. Shashi Kumar, Mr. B. N. Ojha and Mr. Harishankar Khandelwal were appointed as Independent Directors on the Board of the Company for a period of five consecutive years with effect from 27th September, 2014.

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Ms. Bhavna G. Desai was appointed as Additional Director on the Board of the Company with effect from August 09, 2014 was appointed as Woman and Independent Director on the Board of the Company for a period of five consecutive years with effect from 27th September, 2014.

There is no other change in the directorship of the Company during the period under review.

### Number of Board Meetings held:

During the year 2014-15, the Board met 06 times and agenda papers were circulated well in advance of each meeting to the Board of Directors. In order to ensure fruitful deliberations at the meetings, the Board of Directors of your company is provided with all relevant information on various matters related to the working of the company. The dates on which Meetings of the Board of Directors were held and the number of Directors present in each meeting are given below:

S. No.	Date of Meeting	No. of Directors Present
1	24.05.2014	07
2	09.08.2014	08
3	11.11.2014	07
4	25.01.2015	07
5	10.02.2015	09
6	14.03.2015	07

### AUDIT COMMITTEE:

The Audit Committee consists of one Non-executive Director and three Independent Directors. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Audit Committee comprises of following Directors:

S. No.	Name	Designation
1	Mr. Biswajit Choudhuri	Chairman (Independent Director)
2.	Mr. B. N. Ojha	Member (Independent Director)
3.	Mr. Dinesh Gandhi	Member (Non-Executive Director)
4.	Mr. Harishankar Khandelwal*	Member (Independent Director)

\* Mr. Harishankar Khandelwal has been inducted in the Audit Committee with effect from 16.05.2015

The committee met Four times during the year 2014-15 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Audit Committees held on			
		23.05.2014	08.08.2014	10.11.2014	09.02.2015
Mr. Biswajit Choudhuri	Chairman (Independent Director)	Present	Present	Present	Present
Mr. Bhriugu Nath Ojha	Member (Independent Director)	Present	Present	Present	Present
Mr. Dinesh Gandhi	Member (Non-Executive Director)	Present	Present	Present	Present

All the members of the Audit Committee are financially literate as required by Clause 49 of the Listing Agreement and Mr. Dinesh Gandhi and Mr. Biswajit Choudhuri are having accounting or related financial management expertise.

The Functioning and terms of reference of the Audit Committee the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 177 of the Companies Act, 2013 and Listing Agreements with the Stock Exchanges as are in force/ applicable from time to time. The brief description of terms and reference of Audit Committee are as follows:

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.

- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational Performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Scrutiny of inter-corporate loans and investments made by the Company.
- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.
- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- To recommend to the Board the appointment, the remuneration and terms of appointment of the Statutory Auditors & Cost Auditors of the Company.
- To discuss with the Statutory Auditors/Chief Internal Auditors any significant difficulties encountered during the course of the Audit.
- Review annual Cost Audit Report submitted by the Cost Auditor.
- To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.
- To grant omnibus or specific approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.
- Reviewing with the management, the annual financial statement and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Qualifications in draft audit report.
- Reviewing the adequacy and monitoring the auditors independence and performance, and effectiveness of audit process.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee consists of one Non-executive Director and two Independent Directors. The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Nomination and Remuneration Committee comprises of following Directors:

Name	Designation
Mr. Shashi Kumar	Chairman (Independent Director)
Mr. B. N. Ojha	Member (Independent Director)
Mr. Dinesh Gandhi	Member (Non-Executive Director)

## GODAWARI POWER & ISPAT LIMITED

The committee met two times during the year 2014-15 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Audit Committees held on	
		23.05.2014	13.03.2015
Mr. Shashi Kumar	Chairman (Independent Director)	Present	Present
Mr. B. N. Ojha	Member (Independent Director)	Present	Present
Mr. Dinesh Gandhi	Member (Non-Executive Director)	Present	Present

The brief description of terms and reference of Nomination and Remuneration Committee is as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To carry out evaluation of every Director's performance.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

### REMUNERATION POLICY:

The Company follows a policy on remuneration of Directors, Key Managerial Personnel and Senior Management employees.

The remuneration / compensation / commission etc. to the Directors, KMPs and SMPs will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

### Remuneration of Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees and commission as detailed hereunder:

- i) The remuneration / commission payable to Non- Executive / Independent Directors shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.
- ii) The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof as may be decided by the Board from time to time provided that the amount of such fees shall not exceed One Lac rupees per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- iii) Commission may be paid to Non- Executive / Independent Directors within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- iv) The Independent Directors shall not be entitled to any stock option of the Company.

### Remuneration of Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

- i) The Whole-time Directors/ KMP's and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- ii) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.



- iii) If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- iv) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Directors.
- v) Where any insurance is taken by the Company on behalf of its Whole-time Directors and/or KMPs, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

**Details of Remuneration of Directors for the financial year ended 31st March, 2015:**

The Non-Executive Directors are paid sitting fees of ₹ 30000/- per meeting for attending the Board meetings, ₹ 25000/- per meeting for attending the Audit Committee meetings and ₹ 10000/- per meeting for attending other committee meetings.

In addition to the sitting fees, the Company also pays commission to the Non-Executive Directors for their overall engagement and contribution to the Company's business.

The details of remuneration, sitting fees and commission paid to each of the Directors during the year ended 31st March, 2015 are given below:

(₹ in Lacs)

S. No.	Name of the Director	Remuneration	Sitting Fees	Commission	No. of Shares held
1.	Mr. Biswajit Choudhuri	Nil	3.10	5.00	Nil
2.	Mr. Shashi Kumar	Nil	1.40	5.00	Nil
3.	Mr. B. N. Ojha	Nil	3.60	5.00	Nil
4.	Mr. Harishankar Khandelwal	Nil	1.30	5.00	1000
5.	Ms. Bhavna G. Desai	Nil	1.50	4.00	577900
6.	Mr. B. L. Agrawal	24.00	Nil	40.00	1731398
7.	Mr. Abhishek Agrawal	18.00	Nil	10.00	817466
8.	Mr. Dinesh Agrawal	18.00	Nil	10.00	1846347
9.	Mr. Vinod Pillai	10.80	Nil	Nil	Nil
10.	Mr. Dinesh Gandhi	Nil	Nil	Nil	36000

**EVALUATION CRITERIA:**

Pursuant to the provisions of the companies Act, 2013 and Clause 49 of the Listing Agreement, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.



# GODAWARI POWER & ISPAT LIMITED

## STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee consists of two Independent Directors and one Non-executive Director. The detailed composition of the members of the Stakeholders Relationship Committee at present is given below:

Name	Designation
Mr. B. N. Ojha	Chairman (Independent Director)
Ms. Bhavna G. Desai	Member (Independent Director)
Mr. Dinesh Gandhi	Member (Non-Executive Director)

The committee met four times during the year 2014-15 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Stakeholder Relationship Committees held on			
		23.05.2014	08.08.2014	10.11.2014	09.02.2015
Mr. B. N. Ojha	Chairman (Independent Director)	Present	Present	Present	Present
Ms. Bhavna G Desai*	Member (Independent Director)	N.A	N.A.	Present	Present
Mr. Dinesh Gandhi	Member (Non-Executive Director)	Present	Present	Present	Present
Mr. Dinesh Kumar Agrawal*	Member (Executive Director)	Present	Present	N.A	N.A.

\*Ms. Bhavna G Desai was appointed as a member of committee in place of Mr. Dinesh Kumar Agrawal w.e.f. 09.08.2014

## Compliance Officer

Mr. Y. C. Rao, Company Secretary also functions as the Compliance Officer of the Company. During the year under review 14 complaints were received from the shareholders and all the complaints have been duly resolved. As on 31st March, 2015, no investor grievance is pending.

## Investor Grievance Redressal

The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Type of Complaints	No. of complaints
Non-Receipt of Dividend Warrants	14
<b>Total</b>	<b>14</b>

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee consists of One Independent Directors and Two Executive Director. The detailed composition of the members of the Corporate Social Responsibility Committee at present is given below:

Name	Designation
Mr. Shashi Kumar	Chairman (Independent Director)
Mr. Abhishek Agrawal	Member (Executive Director)
Mr. Vinod Pillai	Member (Executive Director)

The committee met four times during the year 2014-15 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Corporate Social Responsibility Committees held on			
		23.05.2014	09.08.2014	10.11.2014	09.02.2015
Mr. Shashi Kumar	Chairman (Independent Director)	Absent	Present	Absent	Present
Mr. Abhishek Agrawal	Member (Executive Director)	Present	Present	Present	Present
Mr. Vinod Pillai	Member (Executive Director)	Present	Absent	Present	Present

### CSR COMMITTEE'S RESPONSIBILITY STATEMENT:

CSR Committees hereby states that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and Policy of the Company.

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of three Independent Directors and one Executive Director. The detailed composition of the members of the Stakeholders Relationship Committee at present is given below:

Name	Designation
Mr. Biswajit Choudhuri	Chairman (Independent Director)
Mr. B.L.Agrawal	Member (Managing Director)
Mr. B. N. Ojha	Member (Independent Director)
Mr. Shashi Kumar	Member (Independent Director)

The committee met two times during the year 2014-15 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Risk Management Committees held on	
		11.11.2014	09.02.2015
Mr. Biswajit Choudhuri	Chairman (Independent Director)	Present	Present
Mr. B. L. Agrawal	Member (Managing Director)	Present	Present
Mr. B. N. Ojha	Member (Independent Director)	Present	Present
Mr. Shashi Kumar	Member (Independent Director)	Absent	Present

The company has formulated a Risk Management Policy pursuant to the provisions of Clause 49 (VI) of the Listing Agreement. The risk management issues are discussed in detail in the report of Management Discussion and Analysis.

### INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on March 13, 2015, *intra alia*, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of executive and non-executive directors;
- Assessment of the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

Familiarisation Programme for Independent directors:

In order to familiarize the Independent Directors with the operations of the company a plant visit was organised the details of which are posted on Company's website [www.godawaripowerispat.com](http://www.godawaripowerispat.com).

### ETHICS/GOVERNANCE POLICIES

At GPIL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, your company has adopted following codes and policies to carry out our duties in an ethical manner.

- Code of Conduct for Directors, Senior Management and Employees
- Whistle Blower Policy
- Policy on Related Party Transactions
- Corporate Social Responsibility Policy

## GODAWARI POWER & ISPAT LIMITED

- Policy for determining Material Subsidiaries
- Code of Conduct for Prevention of Insider Trading
- Code of Practices & Procedures For Fair Disclosure of Unpublished Price Sensitive Information

Some of the above codes and policies which are statutorily required to be posted on the Company website have been posted accordingly the weblink of which is- <http://godawaripowerispat.com/investors-information/policies/>

### SUBSIDIARY COMPANIES

Pursuant to the provisions contained in Clause 49 of the Listing Agreement, the Company has identified M/s Godawari Green Energy Limited (GGEL) as a material subsidiary Company since the investment of the Company in GGEL exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year and accordingly the Board of Directors of the Company have adopted a policy for determining material subsidiaries.

The Company has appointed Shri B. N. Ojha as Independent Director on the Board of GGEL pursuant to the provisions contained in Clause 49 of the Listing Agreement.

The Unaudited Quarterly Financial Statement and Audited Annual Financial Statements of all the Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

Copies of the minutes of the Board meetings of all the subsidiary companies are individually given to all the Directors and are tabled at the subsequent board meetings.

### INSIDER TRADING DISCLOSURE:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code..

### CODE OF CONDUCT:

Pursuant to the provisions of Listing Agreement, the Board of Directors of the Company have approved and adopted Code of Conduct and Ethics which is applicable to all the Board members, senior management and employees of the Company.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees

in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

The code has been circulated to directors and Managerial Personnel, and its compliance is affirmed by them annually.

A declaration to this effect signed by the Managing Director is published in this Report.

### DISCLOSURES:

#### Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website [godawaripowerispat.com](http://godawaripowerispat.com)

A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of material individual transactions with related parties are placed before the audit committee for the review.

#### Disclosure of accounting treatment

The Company has followed all relevant accounting standards while preparing the financial statements and statement of accounts have been drawn in compliance of all applicable accounting standards.

#### Proceeds from public issues, right issues, preferential issues etc

Your Company has not made any public issue, right issue, preferential issue etc. of equity shares during the financial year 2014-15.

Details of non-compliance by the Company, penalties and strictures imposed etc.:

The company has complied with the requirements of regulatory authorities on capital markets and no penalty/ stricture was imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets during the last one year from the date of its listing on the stock exchanges.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and pursuant to Clause 49 of the Listing Agreement, the Board of Directors of the Company approved the Whistle Blower Policy of the Company establishing a vigil mechanism for Directors and employees of the Company to report genuine concerns. The Vigil mechanism provides for adequate safeguards against the victimisation of employees and directors who avail of the vigil mechanism and also provides for direct access to the nodal officer of the Company nominated by the Audit Committee as its representative through any of the following protocols:

**Mr.Y.C.RAO.**

Company Secretary & Compliance Officer,  
Godawari Power & Ispat Limited  
Corporate Office: First Floor, Hira Arcade,  
Pandri, Raipur, Chhattisgarh 492 001.  
Tel: 0771 4082735,  
Email: yarra.rao@hiragroup.com  
Fax Number:0771 4057601

The said policy has been properly communicated to all the directors and employees of the Company through the respective departmental heads.

**COMMUNICATION WITH THE SHAREHOLDERS:**

The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges.

The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter published within forty eight hours in English and Hindi editions of Business Standard newspaper. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.

The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.

The Annual Report of the Company, the quarterly / half yearly and the annual results and of the Company are also placed on the Company's website: [www.godawaripowerispat.com](http://www.godawaripowerispat.com) and can be downloaded.

In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on BSE's on-line portal and through Corporate Filing and Dissemination System (CFDS) website [www.corpfiling.co.in](http://www.corpfiling.co.in). Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal. The Company has complied with filing submissions through BSE's BSE Online Portal.

A separate dedicated section under 'Investors' Information' on the Company's website gives information on unclaimed dividends and other relevant information of interest to the investors / public.

## GODAWARI POWER & ISPAT LIMITED

### PARTICULARS OF DIRECTORS SEEKING REAPPOINTMENT:

Particulars of Directors seeking reappointment at the ensuing Annual General Meeting to be held on 19th September, 2015 are given as under:

A	Name	1. Shri Dinesh Agrawal	2. Shri Dinesh Kumar Gandhi	3. Shri Bajrang Lal Agrawal
B	<b>Brief resume</b>			
	i) Age	43 years	52 Years	62 years
	ii) Qualification	B.E. (Electrical)	Chartered Accountant and Company Secretary	B.E. (Electronics)
	iii) Experience in specific functional area	More than 15 years	More than 25 years	More than 30 years
	iv) Date of Appointment on the Board of the company	21.09.1999	25.02.2005	21.09.1999
C	<b>Nature of expertise in specific functional areas</b>	He is a whole time Director on the Board of the Company and has been associated with the company's Ferro alloys and steel rolling units.	He is a non-executive Director on the Board of the Company and has over 25 years of experience in the areas of accounts, finance, project planning and financing. A dynamic financial analyst, his competence strategically directs the company.	He is the Managing Director of the Company and has over 3 decades of experience in steel, ferro alloys and Electricity industry. He has set up various plants like Cement, Ferro-Alloys, Automatic Rolling Mills, Sponge Iron Plant, Mega Power Project and Steel Plants. He also served as Vice Chairman of Sponge Iron Manufacturers Association (SIMA). He is also the ex-chairman of CII in the year 2006-07 and has been involved with a number of social organizations.
D	<b>Name(s) of other Public Limited Companies in which Directorships held</b>	Godawari Clinkers and Cement Limited, Godawari Natural Resources Limited, Godawari Integrated Steels (India) Limited, Godawari Green Energy Limited, Godawari Techfab Limited	Godawari Green Energy Limited, Ardent Steel Limited	Godawari Natural Resources Limited, Chhattisgarh Captive Coal Mining Limited, Shourya Diamonds Limited, Maruti Clean Coal and Power Limited, Krishna Global Minerals Limited, SAG International Limited
E	<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	None	Member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee	Member of Risk Management Committee and Chairman of Finance Committee
F	<b>No. of Shares of ₹ 10/- each held by the Directors</b>	1846347	36000	1731398
G	<b>Relationship with Directors inter-se (As per Section 2(77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014</b>	No Relationship with Directors	No Relationship with Directors	Related to Mr. Abhishek Agrawal

## OTHER INFORMATION TO SHAREHOLDERS:

The location, date and time of the last three Annual General Meetings were as under:

YEAR	DATE	TIME	VENUE
2011-2012	29.09.2012	12.30 p.m.	2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)
2012-2013	28.09.2013	12.30 p.m.	2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)
2013-2014	27.09.2014	12.30 p.m.	2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)

## SPECIAL RESOLUTION PASSED IN PREVIOUS THREE ANNUAL GENERAL MEETINGS:

- i) At the Annual General Meeting of the Company held on 27th September, 2014, the following Special Resolutions were passed:
  - a) Approval for payment of a sum not exceeding 1% p.a. of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, to be paid and distributed amongst the non-executive directors other than the managing director or whole time directors and such payments to be made in respect of profits of the Company for each financial year, for a period of 5 years from the financial year commencing from April 1, 2014.
  - b) Approval of adoption of new set of Articles of Association of the Company pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014.
  - c) Approval for providing authority to the Board to borrow any sum or sums of money from time to time exceeding the aggregate of paid up capital and free reserves of the Company upto the limit of ₹ 2000 crores pursuant to the provisions of Section 180 (1) (c) and any other applicable provisions of the Companies Act, 2013.
  - d) Approval to enter into leave and license agreement with M/s Raipur Complex for taking on rent the office premises at Hira Arcade, Pandri, Raipur, Chhattisgarh, on the terms and conditions as mentioned in the said resolution, pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013.
- ii) During the year under review, no special resolution has been passed through the exercise of postal ballot and no special resolution is proposed to be conducted through postal ballot.

## GENERAL INFORMATION:

### 1. Annual General Meeting:

Date	19th September, 2015
Time	12.30 p.m.
Venue:	Corporate Office of the Company at 2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.) - 492001

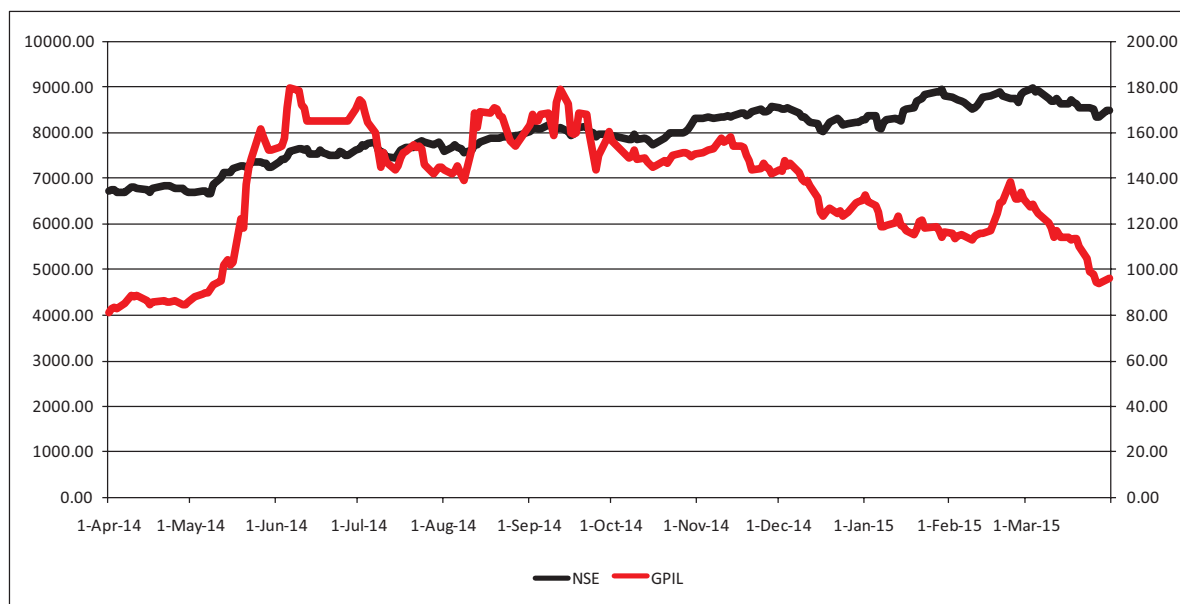
### 2. Financial Calendar (2015-2016) (tentative) :

Board Meeting (for Financial Result)-

Quarter ending on 30th June 2015	: On or before August 14, 2015
Half-year ending on 30th September 2015	: On or before November 14, 2015
Quarter ending on 31st December 2015	: On or before February 14, 2016
Year ending on 31st March 2016	: On or before May 30, 2016

3. Date of Book Closure : 31st August to 5th September, 2015.
4. Dividend Payment Date : Within 20 days of declaration
5. Listing on Stock Exchange : The shares of the company are Listed with National Stock Exchange and Stock Exchange, Mumbai.
7. Stock Code : NSE : GPIL  
BSE : 532734  
ISIN : INE177H01013

## 8. Market Price Data:



## 9. The monthly high and low quotations of shares traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited are as follows:

Month	NSE		BSE	
	High	Low	High	Low
April, 2014	91.65	80.50	91.70	80.70
May, 2014	168.70	86.00	169.00	86.00
June, 2014	187.90	130.00	186.70	131.15
July, 2014	177.40	138.80	178.25	139.00
August, 2014	174.90	135.00	175.00	136.20
September, 2014	185.70	140.00	186.00	140.00
October, 2014	162.00	143.60	164.50	143.40
November, 2014	164.80	141.50	164.80	142.00
December, 2014	151.00	120.05	150.50	120.40
January, 2015	136.95	112.50	136.90	112.70
February, 2015	149.00	112.50	149.00	110.00
March, 2015	134.85	90.95	135.40	91.20

## 10. Registrar and Transfer Agent: M/s. Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg,  
Bhandup, Mumbai 400 078  
Ph: 022-25963838 Fax: 022-25946969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

11. Share transfer system:

The company's shares can be dematerialized with the Depositories namely CDSL or NSDL through the Depository Participants. The company's shares are compulsorily traded in the demat mode. Therefore, the investors/shareholders are requested to kindly note that physical documents, viz. Demat Request Forms (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DPs) directly to the Share Transfer Agents. Any delay on the part of the DPs to send the DRF and the Share Certificates beyond 15 days from the date of generation of DRN by the DP will be rejected/cancelled. This is being done to ensure that no demat requests remain pending with the Share transfer Agents beyond a period of 21 days. Investors/shareholders should therefore, ensure that their DPs do not delay in sending the DRF and Share Certificates to the Share Transfer Agent after generating the DRN.

12. Distribution of Shareholding as on 31.03.2015:

Shareholding of Nominal Value (₹)	Shareholders		Shares Held	
	Number	% to Total	Number	% to Total
Up to 5000	19186	90.6839	2132655	6.5107
5001 – 10000	962	4.5470	771454	2.3551
10001- 20000	460	2.1742	696466	2.1262
20001 – 30000	163	0.7704	419901	1.2819
30001 – 40000	91	0.4301	324549	0.9908
40001 – 50000	76	0.3592	356078	1.0871
50001 – 100000	107	0.5057	761717	2.3254
100001 and above	112	0.5294	27293427	83.3228
<b>TOTAL</b>	<b>21157</b>	<b>100</b>	<b>32756247</b>	<b>100</b>

Shareholding Pattern as on 31st March 2015:

Sl. No.	Category	No. of Shares held	Percentage
1	Promoters (including person acting in concert)	2,12,55,853	64.89
2	Institutional Investors i.e. MFs, FIs, banks etc	20,87,875	6.37
3	Bodies Corporate	16,35,519	4.99
4	NRIs	2,64,810	0.81
5	General Public	74,36,422	22.71
6	Clearing Member / Trust	75,768	0.23
	<b>TOTAL</b>	<b>3,27,56,247</b>	<b>100.00</b>

Equity Shares in the Suspense Account

As per Clause 5A of the Listing Agreement, the Company reports that 1,491 Equity Shares are lying in the suspense account as on March 31, 2015. During the year under review no shareholder approached the Company for transfer of shares from the suspense account.

Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 1,66,989.00 to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 / Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 27, 2014 (date of last Annual General Meeting) on the Company's website



## GODAWARI POWER & ISPAT LIMITED

(www.godawaripowerispat.com) and on the website of the Ministry of Corporate Affairs.

13. Dematerialization of Shares: The Company has entered into agreement with National Securities Depository Ltd. and Central Depository Services (India) Ltd. for dematerialization of its Shares.
14. Location of Plant, Registered Office and Corporate Office:

Plant & Registered Office

428/2, Phase-I, Industrial Area, Siltara - 493111, Dist. Raipur, Chhattisgarh, India.

Tel: +91-771-4082333; Fax: +91-771-4082234

Website: www.godawaripowerispat.com

Corporate Office

First Floor, Hira Arcade, New Bus Stand, Pandri, Raipur – 492001, Chhattisgarh, India.

Tel: +91-771-4082000; Fax: +91-771-4082732, 4057601

email: corporate@hiragroup.com

Investors Relation Centre:

Godawari Power and Ispat Limited,

A-401, Lotus Corporate Park (Graham Firth Company), Jay Coach Signal, Off Western Express Highway, Goregaon (East), Mumbai – 400 063, India.

Tel: +91 – 22 – 40767466 / 40767474 / 40767433; Fax: +91 – 22 – 40767440

### CEO/CFO CERTIFICATION

The Chief Executive Officer and the Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required in clause 49 of the listing agreement and the said certificate is contained in this annual report.

### REPORT ON CORPORATE GOVERNANCE

This chapter, read together with the information given in the chapter titled Management Discussion and Analysis constitute compliance report on Corporate Governance during 2014-15.

For and on behalf of the Board of Directors

Chairman

Place: Raipur

Date: 11.08.2015

## **CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

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To,  
The Board of Directors  
Godawari Power and Ispat Limited  
Raipur - Chhattisgarh

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of M/s Godawari Power and Ispat Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the financial year 2014-15 and hereby certify that to the best of our knowledge and belief:-
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-15 which are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We further certify that :-
  - i) There have been no significant changes in internal control over financial reporting during this year.
  - ii) There have been no significant changes in accounting policies during this year.
  - iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over the financial reporting.

**B.L. Agrawal**  
Managing Director

**Sanjay Bothra**  
Chief Financial Officer

Place: Raipur  
Date: 11.08.2015

**DECLARATION REGARDING CODE OF CONDUCT**

I hereby declare that all the Directors and Senior Management Personnel have affirmed compliance during the financial year 2014-15 with the provisions of Code of Conduct as adopted by the Company.

**B. L. Agrawal**  
Managing Director

Place: Raipur  
Date: 11.08.2015

**AUDITORS' CERTIFICATE**

**(ON CORPORATE GOVERNANCE)**

To  
The Members of  
Godawari Power and Ispat Limited  
Raipur - Chhattisgarh

We have examined the compliance of conditions of Corporate Governance by M/s. Godawari Power and Ispat Limited for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreements of the said Company, with the stock exchange(s).

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

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

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

**For O.P. SINGHANIA & CO.**  
Chartered Accountants

**Sanjay Singhania**  
Partner  
(Membership No.076961)

Place: Raipur  
Date: 11.08.2015

## MANAGEMENT DISCUSSION & ANALYSIS

### GLOBAL ECONOMY

Global growth was 3.4% during calendar year (CY) 2014, similar to CY2013. Growth in the United States improved to 2.4% in CY2014 compared to 2.2% in CY2013. Growth in the Euro Area and Japan, however, continued to remain subdued. There was a slowdown in economic growth in emerging market economies. China's economy grew by 7.4% in CY2014 compared to 7.8% in CY2013. Global growth remains moderate, with uneven prospects across the main countries and regions. It is projected to be 3.4 percent in 2015, in line with forecasts in the January 2015 World Economic Outlook (WEO) Update. Relative to last year, the outlook for advanced economies is improving, while growth in emerging markets and developing economies is projected to be lower, primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries. (Source: IMF). A Key highlight during the year was the sharp decline in global commodity prices, particularly of crude oil, coal & iron ore. The price of benchmark Brent crude fell from USD 108 / barrel in the beginning of fiscal 2015 to USD 55 / barrel by end-March 2015.

### INDIAN ECONOMY

In fiscal 2015, the Central Statistical Organisation (CSO) introduced a new methodology for calculation of Gross Domestic Product (GDP) and also revised the base year from fiscal 2005 to fiscal 2012. Notable changes in the methodology included replacing GDP at factor cost with GDP at market prices as the official GDP estimate. The sector-wise break-up of GDP is now represented by Gross Value Added (GVA) at market Prices. As per the revised methodology, India's GDP grew by 7.4% during the first nine months of fiscal 2015 compared to growth of 7.0% in the corresponding period of fiscal 2014. In India, the formation of a stable government with a strong electoral mandate in May, 2014 led to an improvement in the Market sentiment. There was recovery in Key economic parameters during the year. Economic growth improved, inflation moderated, the current account deficit and exchange rates remained stable and interest rate came down during the year. The Corporate investment cycle continued to remain subdued; the focus remained on working towards cashflow generation from existing projects and addressing profitability and liquidity challenges in the corporate and SME sectors. The government has taken several steps to improve the operating environment and also announced several reforms. These measures are expected to positively influence economic conditions going forward.

Steel industry Scenario (source: Ministry of Steel, Govt. of India)

### GLOBAL SCENARIO

- In 2014, the world crude steel production reached 1661.5 million tonnes (mt) and showed a growth of 1.2% over 2013. (Source: World Steel Association or WSA, prov.)
- China remained the world's largest crude steel producer in 2014 (823 mt) followed by Japan (110.7 mt), the USA (88.3 mt) and India (83.2 mt) at the 4th position.
- WSA has projected that global apparent steel use will increase by 2% to 1,562 mt in 2014 following growth of 3.8% in 2013 while in 2015, world steel demand will grow by another 2% and will reach 1,594 mt. WSA has projected Indian steel demand to grow by 6.2% in 2015 and by 7.3% in 2016 as compared to global steel use growth of 0.5% and 1.4% respectively. Chinese steel use is projected to decline in both these years by 0.5%.
- Per capita finished steel consumption in 2014 is estimated at 217 kg for world and 510 kg for China by WSA.  
(Note: 2014 data source is provisional and sourced from 'World Steel in Figures 2015', published by WSA in June 2015)

### DOMESTIC SCENARIO

- The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 4th largest producer of crude steel in 2015 and the country continues to be the largest producer of sponge iron or DRI in the world.
- As per the report of the Working Group on Steel for the 12th Five Year Plan, there exist many factors which carry the potential of raising the per capita steel consumption in the country. These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 10 kg per annum buoyed by projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana, Rajiv Gandhi Awaas Yojana, smart cities among others.
- At the time of its release, the National Steel Policy 2005 had envisaged steel production to reach 110 million tonnes (mt) by 2019-20. However, based on the assessment of the current ongoing projects, both in greenfield and brownfield, the Working Group on Steel for the 12th Five Year Plan has projected that domestic

## GODAWARI POWER & ISPAT LIMITED

crude steel capacity in the country is likely to be 140 mt by 2016-17 and has the potential to reach 149 mt if all requirements are adequately met.

- The National Steel Policy 2005 is currently being reviewed keeping in mind the rapid developments in the domestic steel industry (both on the supply and demand sides) as well as the stable growth of the Indian economy since the release of the Policy in 2005.
- India, the world's fourth-largest steel producer, saw its consumption of total finished steel grow by 3.1 per cent to 76.36 million tonnes (MT) in the last fiscal from 74.09 MT in 2013-14.
- According to industry body World Steel Association, steel consumption in India is expected to grow by 6.2 per cent to 80 MT in 2015 from 75.3 MT in 2014. In its short range forecast, the association pegs consumption of the metal to grow by 7.3 per cent to 85.8 MT in 2016 as compared to 2015.

- For the first month of the current fiscal, consumption of total finished steel grew by 7.1 per cent to 5.503 MT as compared to April 2014, but registered a decline of 23.2 per cent over March 2015 (7.153 MT).

### PRODUCTION

- Steel industry was de-licensed and de-controlled in 1991 & 1992 respectively.
- Today, India is the 3<sup>rd</sup> largest producer of crude steel in the world.
- In 2014-15, production for sale of total finished steel (alloy + non alloy) was 91.46 mt, a growth of 4.3% over 2013-14.
- Production for sale of Pig Iron in 2014-15 was 9.7 mt, a growth of 22% over 2013-14.
- India is the largest producer of sponge iron in the world with the coal based route accounting for 90% of total sponge iron production in the country.

- Data on production for sale of pig iron, sponge iron and total finished steel (alloy + non-alloy) are given below for last six years:

Indian steel industry : Production for Sale (in million tonnes)

Category	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Pig Iron	5.88	5.68	5.371	6.870	7.950	9.694
Sponge Iron	24.33	25.08	19.63	14.33	18.20	20.38
Total Finished Steel (alloy + non alloy)	60.62	68.62	75.70	81.68	87.67	91.46

Source: Joint Plant Committee;

### DEMAND - AVAILABILITY PROJECTION

- Demand – Availability of iron and steel in the country is projected by Ministry of Steel in its Five Yearly Plan documents.
- Gaps in availability are met mostly through imports.
- Interface with consumers by way of a Steel Consumers' Council exists, which is conducted on regular basis.
- Interface helps in redressing availability problems, complaints related to quality.

### STEEL PRICES

- Price regulation of iron & steel was abolished on 16.1.1992. Since then steel prices are determined by the interplay of market forces.
- Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others.
- An Inter-Ministerial Group (IMG) is functioning in the Ministry of Steel, under the Chairmanship of Secretary

(Steel) to monitor and coordinate major steel investments in the country.

- The Government earlier took various fiscal and other measures for stabilizing steel prices like significant reduction in import duties on steel, major raw materials, including mineral products and ores and concentrates in last few years. Also, excise duty for steel is currently at 12% and there is no export duty on steel items. The government has also imposed export duty of 30% on all forms of iron ore and 5% on iron ore pellets in order to control ad-hoc exports of the mineral and conserve it for long term requirement of the domestic steel industry.
- For ensuring quality of steel several items have been brought under a quality control order issued by the Government.
- Further, a Steel Price Monitoring Committee has been constituted by the Government with the aim to monitor price rationalization, analyze price fluctuations and advice all concerned regarding any irrational price behavior of steel commodity.

## IMPORTS

- Iron & steel are freely importable as per the extant policy.
- Data on import of total finished steel (alloy + non alloy) is given below for last six years:

Indian steel industry : Imports (in million tonnes)

Category	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Total Finished Steel (alloy + non alloy)	7.38	6.66	6.86	7.93	5.45	9.32

Source: Joint Plant Committee;

## EXPORTS

- Iron & steel are freely exportable.
- Data on export of total finished steel (alloy + non alloy) is given below for last five years and April-December 2014-15 (provisional):

Indian steel industry : Exports (in million tonnes)

Category	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Total Finished Steel (alloy + non alloy)	3.25	3.64	4.59	5.37	5.98	5.59

Source: Joint Plant Committee;

## OPPORTUNITIES FOR GROWTH OF IRON AND STEEL IN PRIVATE SECTOR

### The New Industrial Policy Regime

The New Industrial policy opened up the Indian iron and steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.

### The Growth Profile

- (i) Steel : The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country.

Crude steel capacity was 101 mt in 2013-14 and India, the 4th largest producer of crude steel in the world, has to its credit, the capability to produce a variety of grades and that too, of international quality standards. The country is expected to become the 2nd largest producer of crude steel in the world soon, provided all requirements for creation of fresh capacity are adequately met.

- (ii) Pig Iron: India is also an important producer of pig iron. Post-liberalization, with setting up several units in the private sector, not only imports have drastically reduced but also India has turned out to be a net exporter of pig iron. The private sector accounted for 93% of total production for sale of pig iron in the country in 2013-14. The production for sale of pig iron has increased from 1.6 mt in 1991-92 to 7.95 mt in 2013-14.

- (iii) Sponge Iron: India is the world's largest producer of sponge iron with a host of coal based units, located in the mineral-rich states of the country. Over the years, the coal based route has emerged as a key contributor and accounted for 89% of total sponge iron production in the country. Capacity in sponge iron making too has increased over the years and stood at 45 mt in 2013-14.

(Source: Ministry of Steel)

India, the world's fourth-largest steel producer, saw its consumption of total finished steel grow by 3.1 per cent to 76.36 million tonnes (MT) in the last fiscal from 74.09 MT in 2013-14.

According to industry body World Steel Association, steel consumption in India is expected to grow by 6.2 per cent to 80 MT in 2015 from 75.3 MT in 2014. In its short range forecast, the association pegs consumption of the metal to grow by 7.3 per cent to 85.8 MT in 2016 as compared to 2015.

## RECENT DEVELOPMENTS

Steel consumption although is expected to improve in medium to longer term, however steel is currently reeling under lower

## GODAWARI POWER & ISPAT LIMITED

demand growth and higher imports (as evident from the data given above) from China, Russia, Korea & Japan and lower exports due to un-competitive prices.

Further on account of fall in global commodity prices and higher imports, the domestic steel prices have also fallen, which has resulted into severe pressure on Steel Industry. The banking sector because of high exposure to Iron & steel industry and financial stress of many mid-size Companies in sector is facing problems of NPA. This has impacted their ability to lend amount to the sector, which impacting the liquidity position of many companies in the sector.

In view of higher imports and lower demand growth, the sector is facing near term challenges. However the in view of initiatives taken by Government on increase in public investment in infrastructure sector mainly, road and railway, is expected to improve the demand for steel, however, pressure from imports is expected to remain, unless arrested through policy action by the Government.

### POWER SECTOR SCENARIO

Power or electricity is one of the most critical components of infrastructure affecting economic growth and well-being of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

The Indian power sector is one of the most diversified in the world. Sources for power generation range from conventional ones such as coal, lignite, natural gas, oil, hydro and nuclear power to other viable non-conventional sources such as wind, solar, and agriculture and domestic waste. The demand for electricity in the country has been growing at a rapid rate and is expected to grow further in the years to come. In order to meet the increasing requirement of electricity, massive addition to the installed generating capacity in the country is required.

### MARKET SIZE

The Indian power sector is undergoing a significant change that is redefining the industry outlook. Sustained economic growth continues to drive power demand in India. The Government of India's focus to attain 'Power For All' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing on both market side as well as supply side (fuel, logistics, finances and manpower).

The Planning Commission's 12th Plan expects total domestic energy production to reach 669.6 million tonnes of oil equivalent (MTOE) by 2016-17 and 844 MTOE by 2021-22.

By 2030 - 35, energy demand in India is projected to be the highest among all countries according to the 2014 energy outlook report by British oil giant BP.

As of April 2014, total thermal installed capacity stood at 168.4

gigawatt (GW), while hydro and renewable energy installed capacity totalled 40.5 GW and 31.7 GW, respectively. At 4.8 GW, nuclear energy capacity remained broadly constant from that in the previous year.

Indian solar installations are forecasted to be approximately 1,000 megawatt (MW) in 2014, according to Mercom Capital Group, a global clean energy communications and consulting firm.

Wind energy market of India is expected to attract about ₹ 20,000 crore (US\$ 3.16 billion) of investments next year, as companies across sectors plan to add 3,000 MW of capacity powered by wind energy.

### INVESTMENT

Around 293 global and domestic companies have committed to generate 266 gigawatts (GW) of solar, wind, mini-hydel and bio-mass based power in India over the next 5-10 years. The initiative would entail an investment of about US\$ 310-350 billion.

The industry has attracted FDI worth US\$ 9,548.82 million during the period April 2000 to February 2015.

### GOVERNMENT INITIATIVES

The Government of India has identified the power sector as a key sector of focus to promote sustained industrial growth.

The RE-INVEST 2015 which concluded on February 17, 2015, is a significant step in making India self-reliant in energy. The three day RE-INVEST 2015 received 2,800 delegates participating from 42 countries and saw green energy commitments worth 266,000 MW.

Some of the initiatives taken by the Government of India to boost the power sector of India are as follows:

- A Joint Indo-US PACE Setter Fund has been established with a contribution of US\$ 4 million from each side to enhance clean energy cooperation.
- The Government of India has announced a massive renewable power production target of 175,000 MW by 2022, comprising 100,000 MW from solar power, 60,000 MW from wind energy, 10,000 MW from biomass and 5,000 MW from small hydro power projects.
- The Union Cabinet of India has approved 15,000 MW of grid-connected solar power projects of National Thermal Power Corp Ltd (NTPC).
- The Indian Railways has signed a bilateral power procurement agreement with the Damodar Valley Corporation (DVC). The agreement was signed between North Central Railway and DVC. This is the first time the railways will directly buy power from a supplier.



- US federal agencies have committed a total of US\$ 4 billion for projects and equipment sourcing, one of the biggest deals for the growing renewable energy sector in India.
- A memorandum of collaboration (MoC) was signed in New Delhi on January 20, 2015 between the Indian Institutes of Technology (IITs) and Oil & Natural Gas Corporation (ONGC) to work towards a collective research and development (R&D) programme for developing indigenous technologies to enhance exploration and exploitation of hydrocarbons and alternate sources of energy.

### ROAD AHEAD

The Indian power sector has an investment potential of ₹ 15 trillion (US\$ 237.35 billion) in the next 4-5 years, providing immense opportunities in power generation, distribution, transmission and equipment.

The immediate goal of the government is to produce two trillion units (kilowatt hours) of energy by 2019. This will mean

doubling the current production capacity in order to achieve provide 24x7 electricity for residential, industrial, commercial and agriculture use.

The Government had rewritten the National Solar Mission with target of 100,000 MW capacity by 2022. The government has also sought to restart stalled hydro power projects and increased the wind energy target from 20 GW to 60 GW by 2022.

References: Ministry of Power, Press Information Bureau, Media Reports

Source: (India Brand Equity Foundation)

### ANALYSIS AND DISCUSSIONS ON FINANCIAL PERFORMANCE

#### Review of operating & financial performance – standalone

The performance of your Company during the year under review remained satisfactory under the prevailing circumstances and overall slowdown in demand growth coupled. The operating & financial performance of the Company during the year under review is discussed below:

### Production and sales

#### Production

During the year under review, production volumes across various divisions were as follows:

Products/ Division	Production in FY2015 (In MT)	Production in FY2014 (In MT)	Year on year growth
Iron ore mining (Ari Dongri)	446241	326358	37 %
Iron ore pellets	1532200	902550	70 %
Sponge iron	381059	371784	02%
Steel billets	177970	188190	(05 %)
MS rounds	76539	96705	(26 %)
HB wire	78125	90575	(14 %)
Ferro alloys	11403	11116	03 %
Power (Units in crore)	43.42	43.79	(0.1%)

#### Iron Ore Mining:

The iron ore mining operations of the Company increased during the year under review by 37% due to aggressive mining at Ari Dongri Iron Ore Mines and commencement of commercial operations in Boria Tibu mines during the year. The mining operations in Boria Tibu mines is progressing gradually. The expansion of Ari Dongri mines from capacity of 0.7 million tons to 1.4 million tons is expected to be commissioned during the current financial year and the company expects substantial increase in iron ore mining during the current financial year. The Company aim to be self-sufficient in meeting iron ore requirement from captive mines over a period of 2-3 years.

#### Iron Ore Pelletisation:

The production of Iron ore pellets increased during the year by 70% due to full capacity utilization of 0.6 MTPA pellet plant and increasing the capacity utilization in 1.2 MTPA pellet plant commissioned during the previous year. During last year financial year 0.6 MTPA Pellet plant was under shutdown for about three months for maintenance.



## GODAWARI POWER & ISPAT LIMITED

### Sponge Iron

The sponge iron production maintained at the same level with a marginal increase of 2% on yoy basis, however the Sponge Iron plant has achieved new milestone by achieving ever highest annual production and ever highest monthly production for the month February 2015 (38711 Ton). The sponge iron production is further expected to improve during the current financial year.

### Finished Steel & Rolled Products

The operations in the steel melting, rolling and wire drawing divisions decreased due to adverse market conditions and poor realizations. The company took strategic decisions from time to time to cut-down the production looking at the profitability and market demand.

The Company is taking up modernization cum balancing and expansion project at an investment outlay of ₹ 150 crores approx. The Project is expected to be completed during H2FY17.

Post the completion of capex plan the capacity of steel melting and rolling mill shall enhance to 400000 tons per annum.

### Ferro Alloys:

The Company is making silico manganese, used in steel making. The production of ferro alloys increased marginally by 3% yoy.

### Captive Power:

The Company is operating 73MW of captive power generation capacity out of which 42MW is waste heat recovery, 11 MW thermal coal based and 20 MW bio mass power. The overall production volumes maintained at the same level as compared to previous year. However during the year under review the operations in coal based thermal power plant was shut down due to high cost of coal and uneconomical operations. The thermal coal cost has since come down in international markets and company aims to maximize the power generation during the current year, which will help improving the production of steel billets, which is fully dependent on captive power.

### Net sales/income from operations:

Product	FY 2015			FY 2014		
	Sales (MTs) quantity	Net sales (₹ in crore)	Sales Realisation (Per Ton)	Sales quantity (MTs)	Net sales (₹ in crore)	Sales Realisation (Per Ton)
Iron ore pellets	990097	772.05	7798	426947	335.15	8835
Sponge iron	216308	409.56	18934	189744	346.78	18276
Steel billets	86333	254.62	29493	99448	285.83	28742
MS rounds	19090	65.20	34153	27840	69.65	33778
HB wire	78518	283.91	36159	91017	315.69	34685
Ferro alloys	8907	47.53	53365	9565	49.42	51670
Power (Units in crore)	4.09	5.41	1.32	5.93	10.76	1.81
Others		96.79			127.64	
<b>TOTAL</b>		<b>1935.05</b>			<b>1540.92</b>	

In fiscal 2014, the Company recorded net revenue of ₹ 1935.05 crores against ₹ 1,540.92 crores for FY 2014, registering growth of 25.57% on year on year basis. The increase in net revenues was primarily on account of the increase in the volume of iron ore pellets by 132% though there was a reduction in realization by ₹ 1037 per ton. The Sponge Iron however, registered increase both in terms of sales volumes and realization (14%, ₹ 658 per ton). Similarly the average selling prices of all other products also were recorded higher as compared to previous year resulting in overall growth in revenue.

The selling prices during the year under review fell by about 25% from the pick cycle prices prevailing in Q1FY15 till end of the year. This has impacted overall sales realization, though the average realisations during the year remained higher as compared to previous year, which overall impact on the operating profitability of the Company. The trend in falling sales realization continues during the current year due to increase in cheap imports from China, Russia etc. This will have negative impact on margins unless the fall prices get arrested by policy action by the Government.

## ii) Raw material consumption

The item-wise details of raw material consumption are given below:

Items	FY2015			FY2014		
	QTY	Rate Per Ton	Amount (₹ crore)	QTY	Rate Per Ton	Amount (₹ crore)
Iron ore and fines	1841297	3335	614.10	1108751	2751	304.98
Coal	608702	4046	246.27	673327	3055	205.70
Pig iron /Scrap	39460	23555	92.95	45521	24385	111.00
MS round	61081	30631	187.10	75042	32649	222.48
Manganese ore	24871	8681	21.59	26418	7584	20.03
Steel billets	9763	30399	29.68	14374	29197	41.97
Rice husk	171274	2371	40.61	180026	2220	39.97
Others			38.90			25.31
<b>Total</b>			<b>1271.19</b>			<b>971.44</b>

### Iron ore and fines

Overall quantity consumption of Iron ore fines is substantially increased due to higher production of Iron Ore pellets. Further, merely 18% of quantity consumption was fulfilled from captive mines (Low cost) and rest requirement was fulfilled from market purchases (higher rates). The during the year under review the prices of iron ore increased on account of ban in iron ore mining in Orissa by order Hon'ble Supreme Court in May, 2014 on account of illegal mining. This resulted into increase in domestic iron ore prices, despite fall in prices in global markets during the year. Consequent upon amendments MMRDA Act the iron ore supply & prices has since improved and expected to remain lower.

### Coal

There are different types and grades of coal used in the Company i.e. imported coal, steam coal, ROM coal and washed coal. During FY 15, the Company was forced to use costly Imported and Washed Coal instead of cheap ROM Coal due to lower supply of linkage coal by Coal India Ltd on account of diversion of coal to power sector. Total Share of ROM Coal during the year was around 30% of total coal against 65% of last year. However, the consumption of coal per ton of sponge iron is reduced to 1.213 as against 1.53 tons in the previous year on account of use of better quality imported coal. However the overall coal cost per ton of sponge iron production remained higher on account of high prices of imported coal. The global coal prices are falling due to excess supply and impact of the same will be felt in current year. The domestic auction coal prices have also started falling on account of increased supply and price fall in international markets.

### Pig iron/Scrap

During the year, the production of steel billets decreased by 5% as a result of which the consumption of pig iron and scrap also decreased.

### Manganese ore:

The Manganese Ore consumption has been decreased due to better quality of ore though there was a marginal increase in production of Ferro Alloys.

### Rice husk

In FY 15, consumption of Rice husk is marginally decreased due to strategic management of raw-material and plant operations.

## iii) Operating and other expenses

The Company's operating and other expenses increased to ₹ 341.85crore as against ₹ 298.43 crore due to an increase in the cost of stores and consumables, fuel and other expenses. The increase in operating cost is on account of higher production volumes across divisions (mainly Pellet and Gasifier). However the operating expenses as percentage of net sales decreased by 1.70%.

## iv) Employee cost

The employee cost during the year increased by 20.94% to ₹ 67.42 crore compared to ₹ 55.75 crore in the previous year due to the annual increment in salaries and the recruitment of additional employees to meet increased requirements in the pellet plant and Gassifier. The overall employee cost decreased to 3.48 % of the net sales compared to 3.62% during the previous year due to increase in the sales turnover.

## GODAWARI POWER & ISPAT LIMITED

### v) Operating margins (EBIDTA)

The earning before interest, depreciation and taxes decreased to 14.46% compared to 15.34 % of net sales during the previous year due to reduction in realisation of various products (mainly Pellets) and increase in cost of major raw materials (Iron ore fines and Imported Coal) and overall impact of fall in value of inventory consequent upon fall in steel prices.

### vi) Interest and financial charges

Total expenses towards interest and bank charges increased from ₹ 114.51 crore in 2013-14 to ₹ 144.88 crore in 2014-15. The higher interest cost in FY15 was on account of full impact of interest on loans raised for pellet plant, which was commissioned in H2FY14 and higher utilisation of working capital limit during FY15.

### vii) Depreciation

The depreciation during the year has been provided as per Revised Schedule – II under the Companies Act, 2013. Depreciation on fixed assets is almost same with a slight increase due to change in method of computation of Depreciation from straight line method to Useful life method (Revised Schedule – II) and impact of full depreciation charge on cost of 1.2 million pellet plant. The depreciation would have been higher as per the old schedule.

### viii) Profit before Tax (PBT)

The Company has achieved a net profit before tax (PBT) and extraordinary items of ₹ 69.12 crore, as against ₹

55.21 crore, resulting in increase of 25% YoY. The PBT margin was 3.57% of net sales as against 3.58% during the previous year.

### ix) Provision for taxation

The provision for taxation has been made as per provisions of Income Tax Act.

### x) Profit After Tax (PAT)

The Company achieved net profit after tax of ₹ 62.11 crores as against ₹ 55.94 crores during previous year.

### xi) Appropriation

The Company has during the year transferred ₹ 15.00 crores (previous year ₹ 17.91 crores) from Debenture Redemption Reserve to General Reserve, consequent upon redemption of Debentures (A series & B series) the tune of ₹ 60.00 crores during the year under review. The Company did not transfer any amount to the general reserve (Previous Year ₹ 6 crores) out of surplus Profit and Loss Account.

### xii) Provision for dividend and dividend tax

The Board of Directors of your Company recommended a final dividend @ 10% i.e. Re.1.00 per equity share for the year ended March 31, 2015, subject to approval of the shareholders. Further, provision for dividend distribution tax of ₹ 54.42 Lacs was made. The total outgo of funds on account of dividend payment for the year is ₹ 3.82 crore.

### xiii) Fixed assets

₹ in crores				
Particulars	FY15	FY14	Change	Change %
Gross block	1736.45	1,575.98	160.47	10.18
Less depreciation	396.97	328.01	68.96	21.02
Net block	1339.48	1,247.97	91.51	7.33
Capital WIP and pre-op expenses	108.76	65.18	43.58	66.86
Net fixed assets	1448.24	1,313.15	135.09	10.29

The gross block and depreciation has increased due to capitalisation of new Gasifier plant and other items of normal capital expenditure.

### xiv) Inventories.

The overall value of inventory of raw materials decreased to ₹ 139.49 crore as on March 31, 2015 as compared to ₹ 165.30 crore as on March 31, 2014. The average level of holding of raw material stood at 43 days of consumption as compared to a level of 62 days during the previous year. Raw Material inventory decreased due to increase in production of Iron ore pellet consequently resulting in higher consumption of iron ore fines and fall in value of inventory on account of fall in inventory prices.

#### xv) Sundry debtors

The average number debtors outstanding for FY 15 were 22 days of sales outstanding as compared to 17 days in FY 14. The overall level of receivable has increased due to adverse market conditions. However the overall receivable level is expected to remain under 30 days going forward.

#### xvi) Short-term loans and advances

Loans and advances as on 31st March 2015 stood at ₹ 289.10 crores, as against ₹ 248.68 crores on 31st March 2014, which was mainly due to advances paid for raw materials and MAT credit entitlement. Details of loans and advances were as follows:

₹ Crores

Particulars	FY 15	FY 14
Loans and advances to subsidiary companies	11.63	11.77
Advances for RM and others	151.77	113.32
Balance with statutory authorities	51.93	65.38
MAT credit entitlement	68.92	55.36
Prepaid expenses	4.85	2.39
Advance Tax	NIL	0.46
<b>Total</b>	<b>289.10</b>	<b>248.68</b>

#### xvii) Other current liabilities

Overall current liabilities increased from ₹ 342.68 crore to ₹ 600.58 crore mainly due to an increase in trade creditors and buyer's credit for imported raw materials and increase in liability for term loan repayable during next one year. Details of current liabilities were as follows:

₹ crore

Particulars	FY 15	FY 14
Trade payables including acceptances and buyers credit	419.80	191.10
Amount payable to subsidiaries	NIL	3.59
Advances from customers	5.36	2.08
Creditors for capital goods	2.32	6.25
Current maturities of long-term borrowings	154.60	115.98
Others	18.50	23.68
<b>Total</b>	<b>600.58</b>	<b>342.68</b>

#### xviii) Secured and unsecured loans

At the end of the year, secured long-term loans (including non-convertible debentures) totaled ₹ 775.08 crore as against ₹ 777.67 crore in FY 2014. There was no increase overall debt position of the Company. The long term debt

equity ratio stands at 1.20 times.

#### xix) Deferred tax liabilities

The deferred tax liability as on March 31, 2015 stood at ₹ 63.34 crores as against ₹ 57.70 crores as on March 31, 2014.

#### xx) Key financial indicators:

The key financial ratios of the Company are given below:

Particulars	FY15	FY14
EBIDTA to net sales (%)	14.46	15.34
Profit after tax to sales (%)	3.21	3.63
Earning per share (Basic)	18.96	17.08
Earning per share (Diluted)	18.96	17.08
Net worth per share	250.41	233.34
Current ratio	0.88:1	0.99:1
Long Term Debt-equity ratio	1.20:1	1.10:1

### CONSOLIDATED FINANCIAL STATEMENTS

#### Financial performance

The consolidated financial results of the Company included results from the operations of subsidiary companies i.e. Ardent Steel Ltd, Hira Ferro Alloys Ltd, Godawari Green Energy Limited and other subsidiaries. The Company achieved net sales of ₹ 2,394.98 crore during the year under review as compared to ₹ 2,118.05 crore during the previous year and EBITDA of ₹ 418.43 crore as compared to ₹ 362.79 crore during previous year. The EBITDA Margins improved marginally to 17.47% as compared to 17.13% during previous year backed by improvement in operations of the subsidiary company M/s Godawari Green Energy Limited. The consolidated net profit of the Company after minority interest increased to ₹ 66.21 crore as compared to ₹ 57.84 crore in the previous year. The operations of major subsidiary Companies are discussed below:

#### Godawari Green Energy Ltd (GGEL):

GGEL has set up 50MW Solar Thermal Power plant in Rajasthan, which was commissioned in June, 2013 and started commercial operations from Oct, 2013. The year under review was the first full year of operations of the Company. During the year the Company has achieved PLF of 22.55% and recorded power generation of 98.78 million units as compared to 52.07 million units in FY14. The Company has achieved net sales of ₹ 105.20 Crores during the year as compared to net sales of ₹ 39.56 crores recorded in previous year. The Company achieved net profit after tax of ₹ 3.05 crores as against net loss of ₹ 14.96 crores in previous year. The Company has entered into long term PPA for 25 years with NTPC Vidyut Vyapar Ltd (NVVN) under JNNISM for sale of entire power at a fixed price of ₹ 12.20 per unit.

## GODAWARI POWER & ISPAT LIMITED

The operation of power plant is fully settled and operations are running satisfactorily as per available DNI. However the actual DNI at plant location is lower as compared to originally estimated DNI at the time of bidding for the project resulting into lower PLF. This has impacted overall revenue of the Company. In view of lower generation the Company has filed a petition before CERC for revision in tariff and the petition has been accepted by CERC. However the final hearing and disposal of petition is pending.

### Hira Ferro Alloys Ltd (HFAL):

The Company is operating ferro alloys manufacturing plant with capacity of 52200 MT and captive thermal power generation of 20MW. The Company also operates 8 MW bio mass power plant. The operations of HFAL remained subdued due to overall deceleration in demand for ferro alloys in the domestic and the international markets. The Company achieved net sales of ₹ 174.62 crores during the year as compared to net sales of ₹ 212.76 crores in previous year. However the Company's operations resulted into net loss of ₹ 29.15 crores (Before extraordinary items) on account of depressed market condition and fall in value of inventory as compared to net profit of ₹ 2.71 crores during previous year. The Company has during year sold its stake in Maruti Clean Coal & Power Ltd, which resulted into extra-ordinary gain of ₹ 40.81 crores and overall net profit after tax of ₹ 11.67 crores.

### Ardent Steel Ltd

The Company has set up 0.6 million ton pellet plant in Orissa. The Company has achieved net sales of ₹ 192.85 crores during the year as compared to ₹ 367.69 crores in previous year. The Company recorded a net loss of ₹ 6.44 crores as compared to net profit of ₹ 38.50 crores in previous year. The operations of the Company impacted during H1FY15 on account of shut down of plant consequent upon plant closure notice issued by Ministry of Environment & Forest (MoEF) for want of environment approval. The matter was resolved in Sept, 2014. In view of the same the operating volumes of the Company declined to 282763 MTs in FY15 as compared to volumes of 546630 MTs in FY14. Further operations of the Company also impacted on account of fall in selling prices of pellets and higher input cost due of shortage of iron ore during year under review.

### Risk management

Risk is an integral factor in virtually all businesses. At GPIL, risks are adequately measured, estimated and controlled. Irrespective of the type of risk or the activity that creates it, the Company's fundamental approach to risk management remains the same: identify and measure risks, leverage an in-depth knowledge of the business and competitors and respond flexibly in the understanding and management of risks.

### Economy risk

Domestic challenges like inflation, liquidity crunch, slower industrial growth, depreciating rupee, political instability and increasing commodity prices might affect performance.

### Risk mitigation:

\* GPIL correctly anticipated that the challenge of the future would revolve around the timely availability and affordability of resources and raw materials, which translated into timely backward integration initiatives. As a part of this backward integration, the Company manufactures products that are consumed within and also sold to customers; the ability to provide a large and growing customer base from within has helped reduce marketing and costs of inventory, enhancing overall viability. Besides, the savings from captive supply has helped make the product more competitive for external sale, creating a unique win-win proposition. The Company generates significant per cent of its overall resource, raw material or power requirements by value from within, strengthening its overall competitiveness. As a result, integration is not incidental to the Company's existence; it represents its very core.

### Industry/Demand risk

The Company may be affected by impact on demand due to the competitive action within the steel sector, import from Asian countries and industry down turn.

### Risk mitigation:

The Company has significantly reduced the risks arising from erratic demand through integration of operations and captive production of iron ore and pellets. Besides, the Company's plants are located in a large steel manufacturing belt, making it possible to provide products with speed, periodic delivery and relatively high logistic efficiency, lower working capital cycle within the region. It is estimated that the 90% of the Company's output of pellets, sponge iron and its billets are sold within 200 kms of its plant. The Company's power sales are secured through merchant power sales agreement; the Company is engaged in long-term power sales agreement (25 years) with the government for units generated from its solar thermal power plant.

### Technology risk

Technology obsolescence could warrant an increase in investments, affect cash flow and impact profitability.

### Risk mitigation:

The Company invested in the latest technologies, which enables it to manufacture quality products

After completion of a project, the Company adapts the technology and builds in-house capabilities for further expansion. It also has a facility for the critical components



for the existing units to lower plant downtime and control its operations better.

It has also introduced the latest technology in the solar thermal power plant, which will lower the operating expenditure for the Company.

#### **Input risk**

In the business of steel manufacture, a number of diverse inputs are required to be progressively taken into the next stage. The challenge lies in an ability to procure these intermediate raw materials at the right cost and in the right time.

#### **Risk mitigation:**

The Company's integrated business model which makes it possible for the end product of one business to be positioned as the raw material of another, creating a self-feeding ecosystem within minimal inventory, costing and logistic issues. The Company has also secured captive iron ore mines, in order to protect the input cost for its main raw material i.e. iron ore.

The extent of this integration has strengthened the Company's insulation from external pricing and supply shocks, enhancing input security. Besides, the Company is selectively enhancing production capacities, strengthening input security further.

#### **Project management risk**

Delay in project completion could lead to cost overrun.

#### **Risk mitigation:**

Over the years, the Company recognised that the principal viability risk was not derived as much from the marketplace as it was from within. Among the factors from within the organisation that affected viability, one of the most critical was the ability of the Company to commission its proposed plants on schedule. It is the Company's experience that timely commissioning creates a foundation of moderate capital cost and triggers revenue inflow to start contributing towards project payback. Over the years, the Company invested in project management with the objective to strengthen overall competitiveness: as a result, the focus graduated from timely commissioning to pre-scheduled commissioning, translating into a probable cost-underrun, accelerated revenue inflow and quicker payback.

This is the Company's project management track record: The Company has successfully commissioned its 1.20 MTPA iron ore Pelletisation plant 7 months ahead of scheduled date of commencement of commercial operations. The Company's 50 MW solar thermal power plant also achieved distinction of being the first company in India within record time much ahead of 6 other similar projects awarded by the government

#### **Location risk**

Locational disadvantage could affect logistic and time schedules, affecting viability.

#### **Risk management:**

\*The Company's manufacturing facility is located at the heart of industrial Chattisgarh at Raipur. The Company's mines are located 150 km from the plant and adjacent to a highway, making logistics management convenient. The Company's location makes it easy to access JNPT port in the West (1,200 kms), Vishakhapatnam port in the South 500 kms and Haldia and Paradeep ports in the East (800 and 600 kms respectively) for the export for ferro alloys and coal import. The Company markets 50 per cent of its pellet output within 200 km from its manufacturing units.

The Company's pellet plant in Orissa is also located at rich belt of Iron Ore in Kenjhor Dist, near to its principal raw material i.e. iron ore fines. The railways siding is located at about 3 KM away from plant for transport of pellet, making it an attractive location for such project.

Similarly the Company's 50 MW Solar Thermal Power Plant is located in Jaisalmer dist in Rajasthan having highest DNI (Solar Resource) in India, which is an ideal location for a solar power plant.

#### **Caring for society**

GPIL believes that it is imperative to extend beyond the normal course of business and contribute to society.

#### **CSR commitment**

The Company's CSR commitment is encapsulated in the following priorities:

- \*Enhance health-related and educational awareness
- \*Conduct affairs of our Company in socially beneficial manner
- \*Understand, support and develop communities and cultures in the vicinity of our plants
- \*Protect the environment and ensure safety of the people connected with the Company
- \*Enhance the value of the Company through sustainable and inclusive growth

#### **Education initiatives**

1. The Company runs a school (Akansha) for specially-abled students.
2. Conducted E-Sanskar Computer Training for tribal students.
3. Provided salary to night guard & teachers of Government Primary and Middle School of village Mandhar & Mandhar and Jharantola.
4. The Company organised education trip for the students of Govt. School Kachhe & Parrekodo.

## GODAWARI POWER & ISPAT LIMITED

5. Salary given to teachers of Govt. School Boria Tibbu, Kachhe & Parrekodo.

### Health initiatives

1. During the year under review, the Company organized a health camp to detect Jaundice at Moudhapara, Raipur.
2. Operating First Aid Health Centre in the mining area.
3. Creating awareness of health, safety and environment.

### Drinking water projects

1. Undertook safe drinking water projects for villages near its plants and mines.
2. Established submersible water pumps in government primary and middle schools in villages.
3. Constructed concrete stand for water tank at village Boria;
4. Water tankers were engaged in Piyau Hut and villages during summer season
5. Deepening and cleaning of Ponds in villages.
6. Repairing of Borewell at village Bhursapara.

### Infrastructure development

1. Development of Garden & Fountain in various places in Raipur.
2. Construction and Maintenance of School Building;
3. Constructed Stage for Cultural Programmes;
4. Construction and cleaning of drains and Roads in village Kachhe and Tada;
5. Construction of Road and Ponds near Villages (Tada & Siltara);

6. Construction of culvert on Parekodo road and Dorba;
7. Murum filing, Leveling & Excavation work at village Kachhe, Tekadhora, Saleh Chowk;
8. Various infrastructure development i.e. Repairing & leveling of Road and Maintenance of School ground in peripheral villages of Kachhe,

### Environment

1. Expenditure incurred for maintenance of plantation.
2. Planted 29,646 saplings in its project area, 37,200 saplings on roadsides (covering 44 km) during 2014-15.

### Sports & other community development activities:

1. Promoted sports activities;
2. Distributed Blankets for Sankul level Sports Competition, Salhe Chowk, bhanupratappur;
3. Extended financial assistance for master Piyush for admission in Aakanksha School
4. Provided sponsorship for education of 05 students Blind Organisation of India.

### Sanitation

1. Clean India Campaign in schools & village in Kachhe & Parekodo

### Women Empowerment

1. Establishment and operational Cost of Stitching and Tailoring centre.

For and on behalf of Board of Directors

Place: Raipur  
Date: 11.08.2015

**Chairman**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Godawari Power & Ispat Limited

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of Godawari Power & Ispat Limited ("the Company") which comprise the balance sheet as at 31st March 2015, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2015;
- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note no.34 which describes the uncertainty related to investments in Joint Venture Company where the allotted coal block has also been cancelled. No impairment loss has been booked in anticipation that the realizable value of the assets of the JV shall be more than the value of investment of the company. Impact is presently not ascertainable and as such cannot be commented upon by us.

Our opinion is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

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



2. 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;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.
  - (ii) In our opinion and according to the explanations given to us, the company has not entered into any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For, OPSinghania & Co.**  
**(ICAI Firm Regn.No.002172C)**  
Chartered Accountants

**per Sanjay Singhania**  
Partner  
Membership No.076961

Raipur, 16th May, 2015

## ANNEXURE

### Re: Godawari Power & Ispat Limited

#### Referred to in para 1 of Report on Other Legal and Regulatory Requirements of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, in phased verification programme, which, in our opinion, is reasonable, looking to the size of the company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- (ii) (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records of the company, we are of the opinion that, the company is maintaining proper records of inventory. 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 of account.
- (iii) (a) The company has granted unsecured loans to two companies covered in the register maintained under section 189 of the companies Act, 2013 during the year.
- (b) As explained to us the principal amounts are repayable on demand, whereas the interest is payable annually at the discretion of the company.
- (c) As explained to us, there was no overdue amount in respect of loan granted to companies listed in the register maintained under Section 189 of the Companies Act, 2013.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the cases given below:
- (iv) In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the 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 Companies Act, 2013, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- (vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
Service Tax	Disallowance of credit of Service Tax paid on outward freight	2005-06	18.34	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1944	Duty on Iron Ore Fines & Coal Fines	2008-09 to 2009-10	83.32	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1944	Disallowance of Duty on Structural items	2008-09 to 2009-10	129.43	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1944	Demand on account of Cenvat credit	2007-08	11.12	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1944	Demand of Duty on account of Related Party transaction	2007-08 to 2008-09	63.81	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1944	Demand of Duty on account of Related Party transaction	2006-07 to 2007-08	47.72	Customs, Excise and Service Tax Appellate Tribunal, New Delhi

Name of the Statute	Nature of dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
Service Tax	Demand on account of Suppression of value- retention of Iron ore fines	2009-10 to 2010-11	151.98	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Service Tax	Demand on account of reimbursement of transportation charges & recovery of Incidental charges	2005-06 to 2006-07	107.92	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Customs Act, 1962	Demand of interest & imposition of penalty for import of Bituminous Coal under the guise of Steam Coal	2012-13	10.00	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Service Tax	Demand on account of Suppression of value- retention of Iron ore fines	2011-12	119.33	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1944	Disallowance of Cenvat credit on Steel items viz. Angles, Channels, Beams, Rounds & Plates used in Equipment Division	2012-13	62.83	The Commissioner (Appeals) Central Excise, Customs & Service Tax, Raipur
Central Excise Act, 1944	Demand of Service tax credit reversal on as such removal of Iron Ore Fines	2012-13 to 2013-14	0.24	The Commissioner (Appeals) Central Excise, Customs & Service Tax, Raipur
Customs Act, 1962	Demand of interest & imposition of penalty for import of Bituminous Coal under the guise of Steam Coal	2012-13	10.00	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Service Tax	Demand on account of Suppression of value- retention of Iron ore fines	2011-12	119.33	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1944	Disallowance of Cenvat credit on Steel items viz. Angles, Channels, Beams, Rounds & Plates used in Equipment Division	2012-13	62.83	The Commissioner (Appeals) Central Excise, Customs & Service Tax, Raipur
Central Excise Act, 1944	Demand of Service tax credit reversal on as such removal of Iron Ore Fines	2012-13 to 2013-14	0.24	The Commissioner (Appeals) Central Excise, Customs & Service Tax, Raipur
Central Excise Act, 1944	Disallowance of Cenvat credit on Aluminium Sheets & Coils	2009-10 to 2013-14	6.22	The Commissioner (Appeals) Central Excise, Customs & Service Tax, Raipur
Central Excise Act, 1944	Disallowance of Cenvat credit on Authorised Service Station Service	2011-12 to 2012-13	2.45	The Commissioner (Appeals) Central Excise, Customs & Service Tax, Raipur
Central Excise Act, 1944	Disallowance of Cenvat credit on Welding Electrodes	2013-14	1.24	The Commissioner (Appeals) Central Excise, Customs & Service Tax, Raipur
Service Tax	Disallowance of Service tax credit on handling & loading, testing & transportation of Iron Ore Fines and credit on documents in name of head office	2007-08 to 2010-11	32.05	The Commissioner (Appeals) Central Excise, Customs & Service Tax, Raipur

Name of the Statute	Nature of dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demand in respect of disallowance made	A.Y. 2012-13	390.86	Commissioner of Income Tax (Appeals), Raipur
Income Tax Act, 1961	Disallowance made in respect of erstwhile R.R. Ispat Limited	A.Y. 2008-09	3.24	Commissioner of Income Tax (Appeals), Raipur
Income Tax Act, 1961	Penalty in respect of erstwhile Hira Industries Limited	A.Y. 2008-09	0.10	Commissioner of Income Tax (Appeals), Raipur
C.G. Commercial Tax	Commercial Tax	2002-03	0.89	Deputy Commissioner, (Appl) Commercial Taxes, Raipur
Central Sales Tax	Tax demand during extension of sales tax exemption not allowed	2007-08	14.07	Addl. Commissioner (Appl), Commercial Taxes, Raipur
C.G. Commercial Tax	Tax demand during extension of sales tax exemption not allowed	2007-08	320.31	Addl. Commissioner (Appl), Commercial Taxes, Raipur
Chhatisgarh Upkar Adhiniyam 1981	Energy Development Cess	May 2006 to Feb 2014	2804.79	Supreme Court

- (c) According to the information and explanations given to us, amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund within time.
- (viii) The company does not have any accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the banks, financial institution and debenture holders.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (xi) In our opinion, the term loans have been applied progressively for the purpose for which the loans were obtained.
- (xii) Based on our audit procedure and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year. Therefore, the provisions of clause (xii) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.

**For, OPSinghania & Co.**  
**(ICAI Firm Regn.No.002172C)**  
Chartered Accountants

**per Sanjay Singhania**  
Partner  
Membership No.076961

Raipur, 16th May, 2015

# GODAWARI POWER & ISPAT LIMITED

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2015

Particulars	Note No.	(₹ in lacs)	
		2015	2014
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds .....			
Share capital .....	3	3,275.62	3,275.62
Reserves and surplus .....	4	78,750.64	73,156.81
		<b>82,026.26</b>	76,432.43
<b>Non-current liabilities</b>			
Long-term borrowings .....	5	77,508.41	77,766.56
Deferred tax liabilities (net) .....	6	6,333.98	5,769.68
Other long-term liabilities .....	7	297.84	320.96
Long-term provisions .....	8	289.21	210.86
		<b>84,429.45</b>	84,068.06
<b>Current liabilities</b>			
Short-term borrowings .....	9	25,882.32	28,869.53
Trade payables .....	10	41,979.53	19,109.97
Other current liabilities .....	10	18,078.02	15,157.99
Short-term provisions .....	8	580.18	328.71
		<b>86,520.04</b>	63,466.21
<b>TOTAL</b> .....		<b>252,975.75</b>	223,966.70
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible assets .....	11	129,684.93	122,447.68
Intangible assets .....	12	4,263.20	2,349.67
Capital work-in-progress .....		10,875.59	6,517.70
Intangible assets under development .....		508.40	-
Non-current investments .....	13	29,417.63	28,888.59
Long-term loans and advances .....	14	450.56	448.73
Other non-current assets .....	15.2	1,565.67	886.00
		<b>176,765.97</b>	161,538.37
<b>Current assets</b>			
Inventories .....	16	31,753.76	28,414.32
Trade receivables .....	15.1	11,641.76	7,706.94
Cash & bank balances .....	17	3,904.26	1,439.51
Short-term loans and advances .....	14	28,910.00	24,867.55
		<b>76,209.78</b>	62,428.33
<b>TOTAL</b> .....		<b>252,975.75</b>	223,966.70
<b>Summary of significant accounting policies</b> .....	2.1		

The accompanying notes are integral part of the financial statement  
As per our report of even date  
For **OPSinghania & CO.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

per **Sanjay Singhania**  
Partner  
Membership No.076961

Place : Raipur  
Date : 16.05.2015

For and on behalf of the Board of Directors of  
**Godawari Power & Ispat Limited**

**B. L. Agrawal**  
Managing Director

**Abhishek Agrawal**  
Whole Time Director

**Y. C. Rao**  
Company Secretary

**Sanjay Bothra**  
CFO

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

Particulars	Note No.	(₹ in lacs)	
		2015	2014
<b>INCOME</b>			
Revenue from operations (gross) .....	18	216,661.33	172,547.11
Less: Excise duty.....		23,156.13	18,455.15
Revenue from operations (net) .....		193,505.19	154,091.96
Other Income.....	19	1,648.88	2,448.89
<b>TOTAL REVENUE (I) .....</b>		<b>195,154.07</b>	<b>156,540.85</b>
<b>EXPENDITURE</b>			
Cost of raw material and component consumed .....	20	127,119.39	97,144.28
Purchase of Traded Goods.....	21	4,611.94	396.76
(Increase)/decrease in inventories of finished goods work-in-progress and traded goods.....	21	(5,486.93)	(58.28)
Employees benefits expenses .....	22	6,742.39	5,574.83
Other Expenses .....	23	34,185.47	29,843.09
Depreciation and amortization expenses .....	24	6,582.24	6,668.34
Finance costs .....	25	14,487.70	11,450.83
<b>TOTAL EXPENDITURE (II).....</b>		<b>188,242.19</b>	<b>151,019.85</b>
<b>Profit/(loss) before tax .....</b>		<b>6,911.87</b>	<b>5,521.00</b>
<b>Tax expenses</b>			
Current tax .....		1,365.00	883.00
Wealth tax .....		3.00	-
Deferred Tax .....		685.61	(56.70)
Mat Credit Entitlement .....		(1,356.80)	(882.07)
Income tax related to earlier year .....		3.66	(17.09)
<b>Total tax expenses .....</b>		<b>700.47</b>	<b>(72.85)</b>
<b>Profit/(loss) for the year from continuing operations.....</b>		<b>6,211.41</b>	<b>5,593.85</b>
<b>Earnings per equity share [nominal value of share @ ₹ 10/- (31st March,2014" ₹ 10)</b>			
<b>Basic .....</b>	26	<b>18.96</b>	17.08
<b>Diluted .....</b>		<b>18.96</b>	17.08
<b>Summary of significant accounting policies .....</b>	2.1		

The accompanying notes are integral part of the financial statement  
As per our report of even date  
For **OPSinghania & CO.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

per **Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 16.05.2015

For and on behalf of the Board of Directors of  
**Godawari Power & Ispat Limited**

**B. L. Agrawal**  
Managing Director

**Abhishek Agrawal**  
Whole Time Director

**Y. C. Rao**  
Company Secretary

**Sanjay Bothra**  
CFO

# GODAWARI POWER & ISPAT LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

Particulars	(₹ in lacs)	
	2015	2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax .....	6,911.87	5,521.00
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization .....	6,582.24	6,668.34
Loss/(profit) on sale of fixed assets .....	(71.62)	17.88
Loss/(profit) on sale of non-current investments .....	(73.78)	-
Provision for gratuity .....	102.54	53.55
Interest Expenses .....	14,487.70	11,450.83
Interest Income .....	(1,022.81)	(1,099.72)
Dividend Income .....	(438.73)	(1,312.75)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES.....</b>	<b>26,477.41</b>	<b>21,299.13</b>
Movements in working capital :		
Increase/(decrease) in trade payables.....	22,869.56	2,051.83
Increase/(decrease) in other long-term liabilities.....	(23.12)	91.16
Increase/(decrease) in other current liabilities .....	(941.45)	(582.33)
Decrease/(increase) in trade receivables .....	(3,934.82)	2,518.12
Decrease/(increase) in inventories .....	(3,339.44)	(1,128.03)
Decrease/(increase) in long-term loans and advances.....	(1.84)	0.32
Decrease/(increase) in short-term loans and advances.....	(2,685.64)	312.48
Decrease/(increase) in other non-current assets .....	(679.67)	(123.54)
<b>Cash generated from/(used in ) operations.....</b>	<b>37,741.00</b>	<b>24,439.15</b>
Direct taxes paid (net of refunds).....	(1,198.80)	(1,165.61)
<b>Net Cash flow from/(used in) operating activities .....</b> <b>A</b>	<b>36,542.20</b>	<b>23,273.53</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets and CWIP .....	(20,972.38)	(27,854.41)
Proceeds from sale of fixed assets .....	87.80	165.23
Proceeds from sale of non-current investments .....	133.34	-
Increase in non-current investments .....	(588.59)	(3,632.35)
Investments in bank deposits (having original maturity of more than three months) .....	(2,028.75)	1,579.93
Interest received.....	1,022.81	1,099.72
Dividends received .....	438.73	1,312.75
<b>NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES .....</b> <b>B</b>	<b>(21,907.05)</b>	<b>(27,329.14)</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

Particulars	(₹ in lacs)	
	2015	2014
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Redemption of debenture .....	(7,455.00)	(5,000.00)
Proceeds from long-term borrowings .....	22,656.74	23,597.17
Repayment of long-term borrowings.....	(11,598.41)	(9,788.57)
Proceeds from short-term borrowings .....	-	7,957.20
Repayment of short-term borrowings.....	(2,987.21)	-
Interest paid.....	(14,487.70)	(11,450.83)
Dividends paid on equity shares .....	(327.56)	(1,310.25)
Tax on equity dividend paid.....	-	(128.93)
<b>Net cash flow from/(used in) financing activities</b>	<b>(14,199.15)</b>	3,875.79
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C).....</b>	<b>436.00</b>	(179.81)
Cash and Cash Equivalents at the beginning of the year	966.88	1,146.69
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR .....</b>	<b>1,402.88</b>	966.88
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS .....</b>		
Cash in hand .....	16.43	8.95
With banks - on current account.....	823.66	70.37
- on deposit account .....	545.06	862.99
- on unpaid dividend account* .....	17.73	24.56
	<b>1,402.88</b>	966.88

### Notes :

- Interest charges excludes interest capitalised ₹ 997.91 lacs (previous year ₹ 1327.30 lacs).
- \*The company can utilize these balances only toward settlement of the respective unpaid dividend.

As per our report of even date  
For **OPSinghania & CO.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

per **Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 16.05.2015

For and on behalf of the Board of Directors of  
**Godawari Power & Ispat Limited**

**B. L. Agrawal**  
Managing Director

**Abhishek Agrawal**  
Whole Time Director

**Y. C. Rao**  
Company Secretary

**Sanjay Bothra**  
CFO



### 1. Corporate information

Godawari Power & Ispat Ltd. (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act. Its shares are listed on two stock exchanges in India. The company is mainly engaged in generation of electricity, Iron ore mining and manufacturing of Iron Ore Pellets, Sponge Iron, Steel Billets, Wire Rods, H.B. Wire and Ferro Alloys.

### 2. Basis of preparation

- i) The financial statements are prepared in accordance with the generally accepted accounting principles under the historical cost convention, on going concern concept and in compliance with the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI).
- ii) The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- iii) The accounting policies have been consistently applied by the Company are consistent with those used in the previous year.

### 2.1 Summary of significant accounting policies

#### a) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

#### b) Tangible Fixed Assets

Tangible Fixed Assets are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost includes taxes, duties, freight, installation and other direct or allocated expenses upto the date of commencement of commercial production and are net of CENVAT credit.

From accounting periods commencing on or after 7 December, 2006, the company adjusts exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The various expenditure incurred during the construction stage and upto the date of commencement of commercial production for setting-up the relevant project-assets are grouped under the head "Pre-operative Expenditure" and allocated to related fixed assets on pro-rata basis upon completion of project and put to use.

Expenditure incurred on obtaining the mining lease and initial removal of over burden have been capitalised under Iron Ore Mines account.

#### c) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### d) Depreciation on tangible fixed assets and amortization of intangible assets

- i) Depreciation is provided on Straight Line Method based on estimated useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

- ii) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.
- iii) Free-hold land and site & land development cost are not depreciated. Leasehold land is amortised annually on the basis of tenure of lease period.
- iv) Expenditure incurred on iron ore mining are amortised over useful life of the mines or lease period whichever is shorter.
- v) Intangible assets are amortized over technically useful life of the assets.
- e) Investments :
  - i) Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such is other than temporary, in the opinion of the management.
  - ii) Current Investments are stated at lower of cost/quoted fair value, computed categorywise.
- f) Inventories :
  - i) Inventories are valued at lower of cost and net realizable value, after providing for obsolesces, if any.
  - ii) Cost of Raw Materials and stores & spares, Finished Goods & Goods in Process are computed on Moving Weighted average basis.
  - iii) Cost of Finished Goods and Goods in Process includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.
  - iv) Proceeds in respect of sales/disposal of raw materials is credited to the raw material purchases.
- g) Excise Duty
  - i) The Excise Duty in respect of closing inventory of finished goods is provided in books of account and included as part of inventory.
  - ii) CENVAT Credit relating to raw materials/components are debited under current assets for availing credit against CENVAT and credited to respective materials/component account.
- h) Revenue recognition
 

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

  - i) Sale of Products
 

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty and sales tax/VAT deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.
  - ii) Interest
 

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
  - iii) Dividends
 

Dividend income is recognised when the company's right to receive payment is established by the reporting date.
  - iv) Carbon Credits
 

Revenue is recognised when the company received certification of quantity of CERs/VERs from CDM Board.
  - v) Renewable Energy Certificates
 

Revenue is recognised when the company received certification of quantity of Renewable Energy Certificates and on the basis of eligible claims made by the company.
- i) Borrowing Cost
 

Interest and other costs in connection with the borrowing of the funds to the extent related/attribution to the acquisition/construction of fixed assets are capitalized only with respect to qualifying fixed assets i.e. those which take substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.
- j) Contingent Liabilities
 

Liabilities which are material and whose future outcome cannot be reasonably ascertained are treated as contingent and not provided for and disclosed by way of notes to the accounts.
- k) Taxes on Income
 

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

l) Foreign Currency Transactions

- i) Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate prevailing as on the date of transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values are determined.

iii) Exchange differences

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- 1 Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognised as income or as expenses in the same period in which the gain or loss on disposal is recognized.
- 2 Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
- 3 Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- 4 All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of 2 and 3 above, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

- iv) All loans and deferred credits repayable in foreign currency and outstanding at the close of the year are expressed in Indian currency at the appropriate rates of exchange prevailing as on the date of the balance sheet, except in cases where these borrowings are covered by forward exchange contracts. Any increase or reduction in these liabilities are booked to revenue.
- v) In respect of transactions covered by Forward Foreign Exchange Contracts, the difference between the forward rate and exchange rate at the inception of contract is recognized as income or expenses over the life of the contract.

m) Derivatives Transactions

The company uses derivative financial instruments, such as, foreign currency forward contracts to hedge foreign currency risk arising from future transactions in respect of which firm commitments are made or which are highly probable forecast transactions. It also uses interest rate swaps to hedge interest rate risk arising from variable rate loans. The company designates these forward contracts and interest rate swaps in a hedging relationship by applying the hedge accounting principles of AS 30 Financial Instruments: Recognition and Measurement.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

- n) Retirement and other Employee Benefits
- Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective funds.
  - Gratuity Liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
  - Value of encashable leave are encashed during the year and charged to the statement of Profit & Loss.
  - Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.
- o) Provisions
- Provisions are recognised, where the company has any legal or constructive obligation or where reliable estimate can be made for the amount of the obligation and as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- p) Impairment of Tangible and Intangible Assets
- The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to statement of profit & loss. If at the balance sheet date there is an indication that previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.
- q) Treatment of Share Issue Expenses
- Share issue expenses is charged, first against available balance in securities premium account and balance, if any, charged to revenue.
- r) Cash and Cash equivalents
- Cash and Cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.
- s) Segment Reporting Policies
- Identification of segments :
- The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.
- Inter segment Transfers :
- The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.
- Allocation of common costs:
- Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- Unallocated items :
- The Corporate and Other segment includes general corporate income and expense items which are not allocated to any business segment.
- t) Earnings Per Share
- Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 3. SHARE CAPITAL

Particulars	(₹ in lacs)	
	2015	2014
<b>Authorised</b>		
49,800,000 (49,800,000) equity shares of ₹ 10/- each .....	4,980.00	4,980.00
3,200,000 (3,200,000) preference shares of ₹ 10/- each .....	320.00	320.00
	<b>5,300.00</b>	<b>5,300.00</b>
<b>Issued, subscribed and fully paid-up</b>		
32,756,247 (32,756,247) equity shares of ₹ 10/- each fully paid-up .....	<b>3,275.62</b>	<b>3,275.62</b>

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

##### Equity shares

Particulars	2015		2014	
	No.	(₹ in lacs)	No.	(₹ in lacs)
At the beginning of the period.....	32,756,247	3,275.62	32,756,247	3,275.62
Issued during the period .....	-	-	-	-
Outstanding at the end of the period.....	<b>32,756,247</b>	<b>3,275.62</b>	<b>32,756,247</b>	<b>3,275.62</b>

#### b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March,2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil as Interim dividend (31st March,2014 : ₹ 1.50) and ₹ 1.00 as proposed final equity dividend (31st March,2014 : ₹ 1.00 as proposed final equity dividend).

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c. Details of shareholders holding more than 5% shares in the company:

Particulars	2015		2014	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of ₹ 10/- each fully paid				
ICICI Prudential Value Discovery Fund.....	1865927	5.70	1911218	5.83
Hira Infra-tek Limited .....	1790652	5.47	1790652	5.47
Dinesh Agrawal .....	1846347	5.64	1846347	5.64
B.L. Agrawal .....	1731398	5.29	1731398	5.29
	<b>7234324</b>	<b>22.09</b>	<b>7279615</b>	<b>22.22</b>

### 4. RESERVES AND SURPLUS

Particulars	(₹ in lacs)	
	2015	2014
<b>Reserves and Surplus</b>		
Capital Reserve .....		
Balance as per last financial statements.....	1,695.36	395.36
Addition during the year .....	-	1,300.00
	<b>1,695.36</b>	<b>1,695.36</b>
<b>Debenture Redemption Reserve</b>		
Balance as per last financial statements.....	3,875.00	5,666.00
Less: Transfer to General Reserve.....	1,500.00	1,791.00
	<b>2,375.00</b>	<b>3,875.00</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 4. RESERVES AND SURPLUS (CONTD)

Particulars	(₹ in lacs)	
	2015	2014
<b>Securities Premium Reserve</b>		
Balance as per last financial statements.....	17,842.05	17,842.05
	<b>17,842.05</b>	17,842.05
<b>General Reserve</b>		
Balance as per last financial statements.....	13,891.00	11,500.00
Add: Amount transferred from Debenture Redemption Reserve .....	1,500.00	1,791.00
Add: Amount transferred from surplus balance in the statement of profit and loss .....	-	600.00
	<b>15,391.00</b>	13,891.00
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance as per last financial statements.....	35,853.40	31,678.45
Add : Profit for the year .....	6,211.41	5,593.85
Less : Appropriations.....		
Proposed final equity dividend (Amount per share ₹ 1.00 (31 March 2014:₹ 1.00) .....	327.56	327.56
Interim equity dividend (Amount per share ₹ Nil (31 March 2014:₹ 1.50) .....	-	491.34
Tax on proposed equity dividend .....	54.42	-
Adjustment for Fixed Assets where Usefull life is nil as per Schedule-II (Net of taxes).....	235.59	-
Transfer to general reserve .....	-	600.00
Total appropriations .....	617.57	1,418.91
<b>Net surplus in the statement of profit and loss .....</b>	<b>41,447.23</b>	35,853.40
<b>Total reserves and surplus.....</b>	<b>78,750.64</b>	73,156.81

### 5. LONG-TERM BORROWINGS

Particulars	(₹ in lacs)			
	Non-current portion		Current maturities	
	2015	2014	2015	2014
<b>Debentures</b>				
450 (31 March,2014: 750) A Series 12% Redeemebale Non -Convertible Debentures of ₹ 1,000,000/- each (secured).....	4,170.00	7,500.00	330.00	-
200 (31 March,2014: 500) B Series 12.75% Redeemebale Non -Convertible Debentures of ₹ 1,000,000/- each (secured).....	2,000.00	5,000.00	-	-
300 (31 March,2014: 300) C Series 12.90% Redeemebale Non -Convertible Debentures of ₹ 1,000,000/- each (secured).....	1,875.00	3,000.00	1,125.00	-
<b>Term Loans</b>				
Indian rupee loan from banks (secured).....	36,443.69	25,902.41	9,094.33	9,281.55
Foreign currency loan from banks (secured).....	32,596.55	35,898.50	4,728.37	2,130.00
<b>Other loans and advances</b>				
Other loans (secured) .....	423.16	465.65	182.19	186.87
	<b>77,508.41</b>	77,766.56	<b>15,459.89</b>	11,598.41
<b>The above amount includes</b>				
Secured borrowings .....	77,508.41	77,766.56	15,459.89	11,598.41
Unsecured borrowings .....	-	-	-	-
Amount disclosed under the head.....				
"other current liabilities" (refer note 10) .....			(15,459.89)	(11,598.41)
<b>Net amount</b>	<b>77,508.41</b>	77,766.56	-	-

#### Security and terms & conditions for above loans:

- 12% redeemable non-convertible debentures 'A' Series are redeemable in 3 half yearly installments commencing from 31st Dec 2015. The 'A' Series Debentures are secured by First Pari passu charge on the fixed assets of the Company both present & future and 2nd pari passu charge on the current assets of the Company both present & future.
- 12.75% redeemable non-convertible debentures 'B' Series are redeemable in a single Bullet repayment at the end of 7 years i.e. 29th Sept, 2018 with a put & call option at the end of 5th year i.e. on 29th October,2016. The 'B' Series Debentures are secured by Pari passu first charge on the tangible fixed assets of the Company.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

- c. 12.90% redeemable non-convertible debentures 'C' Series are redeemable in 8 quarterly installments of ₹ 3.75 crores starting from 5th July 2015. The 'C' Series Debentures are secured by Pari passu first charge on the fixed assets of the Company & pari passu second charge on the current assets of the Company.
- d. The rupee term loans aggregating to ₹ 455.38 Cr (Previous year ₹ 351.84 Cr) ( including current maturities of ₹ 90.94 Cr (Previous year ₹ 92.82 Cr) classified under 'current liabilities' in note 10) are secured by a first pari passu charge over immovable and movable assets of the company, both present and future, subject to prior charge in favour of working capital bankers of the Company over the current assets i.e. stocks of raw materials, finished goods, stock in process, stores & consumables, trade receivables for securing working capital facilities availed from the banks. The rupee term loans are also secured by personal guarantee of promoter directors of the Company & their relatives and by 2nd pari passu charge on pledge of 25,00,000 equity shares of the Company held by the promoters.
- e. The foreign currency term loan (ECB) of USD 10.00 Million sanctioned by Bank of Baroda aggregating to ₹ 15.62 Cr (Previous year ₹ 29.88 Cr) ( including current maturities of ₹ 15.62 Cr (Previous year ₹ 14.26 Cr) classified under 'current liabilities' in note 10) are secured by a first pari passu charge over immovable and movable assets of the company, both present and future, subject to prior charge in favour of working capital bankers of the Company over the current assets i.e. stocks of raw materials, finished goods, stock in process, stores & consumables, trade receivables for securing working capital facilities availed from the banks. This Loan is also secured by personal guarantee of promoter directors of the Company & their relatives.
- f. The foreign currency term loan (ECB) of USD 60.00 Million sanctioned by Axis Bank Limited aggregating to ₹ 357.63 Cr (Previous year ₹ 350.41 Cr) ( including current maturities of ₹ 31.66 Cr (Previous year ₹ 7.04 Cr) classified under 'current liabilities' in note 10) are secured by a first pari passu charge over immovable and movable fixed assets of the company, both present and future. This Loan is also secured by personal guarantee of the Managing Director of the Company.
- g. Maturity profile of term loans are as set out below :-

	Maturity Profile (₹ in Crores)				
	0-1 years	1-2 years	2-3 years	3-4 years	Beyond 4 years
Rupee Term Loans	90.94	98.24	72.83	55.68	137.69
Foreign Currency Term Loans	47.28	51.09	80.28	105.83	88.77

- h. Other loans are secured by hypothecation and mortgage of specific assets from various banks.

### 6. DEFERRED TAX LIABILITIES

Particulars	(₹ in lacs)	
	2015	2014
<b>Deferred Tax Liability</b>		
Fixed assets : Impact of difference between tax depreciation and ..... depreciation charged for the financial reporting	<b>12,978.39</b>	12,062.65
<b>Deferred Tax Assets</b>		
Provision for gratuity.....	<b>106.92</b>	72.06
Unabsorbed depreciation carry forward.....	<b>6,537.49</b>	6,220.90
<b>Net deferred tax liabilities</b> .....	<b>6,333.98</b>	5,769.68

### 7. OTHER LONG-TERM LIABILITIES

Particulars	(₹ in lacs)	
	2015	2014
Retention money payable.....	<b>297.84</b>	320.96
	<b>297.84</b>	320.96

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### 8. PROVISIONS

(₹ in lacs)

Particulars	Long-term		Short-term	
	2015	2014	2015	2014
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note-38).....	289.21	210.86	25.34	1.15
	<b>289.21</b>	210.86	<b>25.34</b>	1.15
<b>Other Provisions</b>				
Provision for taxation (net of advance) .....			172.86	-
Proposed equity dividend .....			327.56	327.56
Provision for tax on proposed equity dividend .....			54.42	-
	-	-	554.84	327.56
	<b>289.21</b>	210.86	<b>580.18</b>	328.71

### 9. SHORT-TERM BORROWINGS

(₹ in lacs)

Particulars	2015	2014
Cash Credit facility from banks (secured).....	25,882.32	28,869.53
<b>The above amount includes</b>	<b>25,882.32</b>	28,869.53
Secured borrowings .....	<b>25,882.32</b>	28,869.53

#### Terms & Conditions of Secured Loans

- The cash credit facilities from Banks are secured by first pari passu charge over entire current assets i.e. stocks of raw materials, finished goods, stock in process, stores & consumables, trade receivables of the Company and second charge over the other movable assets and immovable assets of the Company.
- The above credit facilities are also secured by personal guarantee of promoter directors of the Company.
- The working capital facilities (including cash credit) are also secured in line with rupee term loans by pledge of 25,00,000 equity shares of the company held by the promoters.

### 10. OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	2015	2014
Trade payables (including acceptances (refer note 37 for details of dues for micro and small enterprises).....	41,979.53	19,109.97
Other liabilities		
Current maturities of long-term borrowings (secured) (refer note-5) .....	15,459.89	11,598.41
<b>Interest accrued but not due on borrowings</b>	<b>621.88</b>	816.21
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend.....	17.73	24.56
Other Payable .....	1,209.82	1,526.40
Amount payable to subsidiaries	-	358.60
Advances from Customer.....	536.28	208.48
Creditors for capital goods.....	232.42	625.33
	<b>60,058</b>	34,268



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 11. TANGIBLE ASSETS

(₹ in lacs)

Particulars	Freehold Land	Leasehold Land	Site & Land Development	Factory Shed & Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Total
<b>Cost or valuation</b>								
At 1 April 2013.....	3,221.75	70.28	1,362.17	9,819.71	77,805.53	262.81	716.55	93,258.82
Additions.....	288.72	-	8.13	10,930.11	45,889.95	38.39	29.32	57,184.63
Disposals.....	-	-	-	106.46	392.98	0.64	24.57	524.65
Other adjustments.....	-	-	-	-	-	-	-	-
- Exchange differences.....	-	-	-	-	3,583.85	-	-	3,583.85
- Borrowing costs.....	-	-	-	256.84	944.11	-	-	1,200.95
At 31 March, 2014.....	3,510.48	70.28	1,370.30	20,900.21	127,830.46	300.57	721.30	154,703.60
Additions.....	95.80	-	18.07	1,907.61	9,720.39	56.87	152.46	11,951.20
Disposals.....	6.25	-	-	-	0.57	-	52.19	59.01
Other adjustments.....	-	-	-	-	-	-	-	-
- Exchange differences.....	-	-	-	-	1,583.09	-	-	1,583.09
- Borrowing costs.....	-	-	-	18.04	343.72	-	-	361.76
<b>At 31 March, 2015.....</b>	<b>3,600.02</b>	<b>70.28</b>	<b>1,388.38</b>	<b>22,825.86</b>	<b>139,477.08</b>	<b>357.44</b>	<b>821.57</b>	<b>168,540.64</b>
<b>Depreciation</b>								
At 1 April 2013.....	-	7.51	-	1,378.89	24,405.93	73.67	200.77	26,066.76
Charge for the year.....	-	0.71	-	474.39	5,968.23	18.24	69.13	6,530.69
(Disposals)/Adjustment.....	-	-	-	(100.91)	(229.19)	(0.15)	(11.28)	(341.54)
At 31 March, 2014.....	-	8.21	-	1,752.37	30,144.97	91.76	258.61	32,255.92
Charge for the year.....	-	0.05	-	1,007.51	5,124.19	42.62	111.35	6,285.71
(Disposals)/Adjustment.....	-	-	-	2.56	351.58	3.23	(43.30)	314.07
<b>At 31 March, 2015.....</b>	<b>-</b>	<b>8.26</b>	<b>-</b>	<b>2,762.44</b>	<b>35,620.74</b>	<b>137.62</b>	<b>326.66</b>	<b>38,855.71</b>
<b>Net Block</b>								
At 31 March, 2014.....	3,510.48	62.07	1,370.30	19,147.84	97,685.49	208.81	462.69	122,447.68
<b>At 31 March, 2015.....</b>	<b>3,600.02</b>	<b>62.02</b>	<b>1,388.38</b>	<b>20,063.42</b>	<b>103,856.35</b>	<b>219.82</b>	<b>494.91</b>	<b>129,684.93</b>

#### Capitalized borrowing costs

The borrowing cost capitalized during the year ended 31st March, 2015 was ₹ 361.76 lacs (31st March, 2014: ₹ 1200.95 lacs). The company capitalized the borrowing cost in the capital work-in-progress (CWIP) ₹ 636.15 lacs (31st March, 2014: ₹ 126.35 Lacs). The amount of borrowing cost shown as other adjustments in the above note reflects the amount of borrowing cost transferred from Capital Work In Progress.

#### Exchange differences on long term foreign currency monetary items

Pursuant to the option granted by Caluse 46A of the AS-11 (as amended vide notification dt.29.12.2011), the Company during the year added ₹ 1583.09 lacs (31st March, 2014: ₹ 3583.85 lacs) to the cost of assets, being the exchange differences of long term foreign currency monetary items relating to acquisition of assets. This amount is to be depreciated over the balance life of the assets.

### 12. INTANGIBLE ASSETS

(₹ in lacs)

Particulars	Computer software	Iron Ore Mines	Total
<b>Gross Block</b>			
At 1 April 2013.....	242.85	2,045.27	2,288.12
Purchase/additions.....	23.13	583.37	606.50
At 31 March, 2014.....	265.98	2,628.64	2,894.62
Purchase/additions.....	-	2,210.05	2,210.05
<b>At 31 March, 2015.....</b>	<b>265.98</b>	<b>4,838.69</b>	<b>5,104.68</b>
<b>Amortization</b>			
At 1 April 2013.....	98.95	308.36	407.31
Charge for the year.....	25.63	112.02	137.65
At 31 March, 2014.....	124.58	420.38	544.95
Charge for the year.....	29.36	267.17	296.53
<b>At 31 March, 2015.....</b>	<b>153.93</b>	<b>687.55</b>	<b>841.48</b>
<b>Net Block</b>			
At 31 March, 2014.....	141.41	2,208.26	2,349.67
<b>At 31 March, 2015.....</b>	<b>112.05</b>	<b>4,151.15</b>	<b>4,263.20</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 13. NON-CURRENT INVESTMENTS

Particulars	(₹ in lacs)	
	2015	2014
<b>Trade investments (valued at cost)</b>		
<b>Investment in subsidiaries</b>		
Quoted equity instruments, fully Paid up		
0(1,00,41,000) equity shares of ₹ 10/- each in Hira Ferro Alloys Ltd. ....	-	2,363.74
Unquoted equity instruments, fully Paid up		
1,00,41,000 equity shares of ₹ 10/- each in Hira Ferro Alloys Ltd. ....	2,363.74	-
*1,47,47,000 (1,45,45,000) equity shares of ₹ 10/- each in Godawari Green Energy Ltd.....	14,702.00	14,500.00
11,800,000 equity shares of ₹ 10/- each in Godawari Energy Ltd. ....	1,180.00	1,180.00
50,000 equity shares of ₹ 10/- each in Godawari Clinkers & Cement Ltd.....	5.00	5.00
75,00,000 equity shares of ₹ 10/- each in Ardent Steel Ltd. ....	4,425.00	4,425.00
50,000 equity shares of ₹ 10/- each in Godawari Integrated Steels (I) Ltd. ....	5.00	5.00
50,000 equity shares of ₹ 10/- each in Krishna Global Minerals Ltd. ....	5.00	5.00
Unquoted Preference instruments, fully Paid up		
4,900,000 9% Optionally Convertible Cumulative Preference Shares of ₹ 100/- each in Godawari Green Energy Ltd. ....	4,900.00	4,900.00
<b>Investment in joint ventures</b>		
Investment in equity instruments, fully Paid up (unquoted)		
1,30,700 equity shares of ₹ 10/- each in Raipur Infrastructure Company Ltd .....	210.70	210.70
4,57,098 equity shares of ₹ 10/- each in Chhattisgarh Captive Coal Mining Ltd	631.38	631.38
16,940 (0) equity shares of ₹ 10/- each in Godawari Natural Resources Ltd. ....	1.69	-
<b>Investment in associates</b>		
Investment in equity instruments, fully Paid up (unquoted)		
26,05,000 equity shares of ₹ 10/- each in Jagdamba Power & Alloys Ltd.....	260.50	260.50
28,10,000 (5,70,000 )equity shares of ₹ 10/- each in Chhattisgarh Ispat Bhoomi Ltd .....	476.70	91.80
<b>Trade investments (valued at cost)</b>		
Investment in equity instruments, fully Paid up (unquoted)		
22,40,100 equity shares of ₹ 10/- each in Hira Steels Limited .....	224.01	224.01
14,000 equity shares of ₹ 10/- each in Hira Energy Ltd.....	1.40	1.40
10,000 equity shares of ₹ 10/- each in Shourya Diamonds Ltd .....	1.00	1.00
0 (39,850) equity shares of ₹ 10/- each in Chhattisgarh Power & Coal Benification Ltd.....	-	19.56
Investment in mutual fund, fully Paid up (unquoted)		
(0) 100,000 units of ₹ 10/- each in SBI Infrastructure Fund.....	-	10.00
(0) 100,000 units of ₹ 10/- each in SBI One India Growth Fund.....	-	10.00
19,990 units of ₹ 10/- each in Baroda Pioneer Mutual Fund.....	2.00	2.00
0 (33264.902) units of Canara Bank - ROBECO Mutual Fund.....	-	20.00
Investment in Trust created on amalgamation		
GPIL Beneficiary Trust .....	22.50	22.50
	<b>29,417.63</b>	28,888.59
Aggregate Amount of quoted investments.....	-	2,363.74
Aggregate Market Value of quoted investments.....	-	2,108.61
Aggregate Amount of unquoted investments.....	<b>29,395.13</b>	26,502.35

#### Investment given as security

\* Out of 14747000 equity shares, 7520970(6196500) equity shares pledged for the credit facilities sanctioned to subsidiary company.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 14. LOANS AND ADVANCES (unsecured, considered good)

Particulars	(₹ in lacs)			
	Non-current		Current	
	2015	2014	2015	2014
Loans and advances to subsidiary companies .....			1,163.00	1,177.21
Advances recoverable in cash or in kind .....			15,177.01	11,332.12
Other loans and advances.....				
Prepaid expenses.....			485.14	238.91
MAT Credit Entitlement.....			6,892.41	5,535.60
Advance Tax (Net of provision).....			-	45.57
Balance with statutory/govt. authorities.....			5,192.44	6,538.13
Security deposit with govt. & others .....	450.56	448.73		
<b>Total .....</b>	<b>450.56</b>	<b>448.73</b>	<b>28,910.00</b>	<b>24,867.55</b>

### 15. TRADE RECEIVABLES AND OTHER ASSETS

15.1 TRADE RECEIVABLES	(₹ in lacs)	
	Current	
Particulars	2015	2014
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months.....		
from the date they are due for payment.....	958.13	785.24
Other receivables .....	10,683.64	6,921.70
<b>Total .....</b>	<b>11,641.76</b>	<b>7,706.94</b>

15.2 OTHER ASSETS	(₹ in lacs)			
	Non-current		Current	
	2015	2014	2015	2014
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances (refer note-17).....	1,565.67	886.00	-	-
	1,565.67	886.00	-	-

### 16. INVENTORIES (valued at lower of cost and net realizable value)

Particulars	(₹ in lacs)	
	2015	2014
Raw Materials and components (refer note 20).....	13,948.65	16,530.18
Work-in-progress (refer note 21).....	238.42	159.86
Finished goods & by-products (refer note 21).....	11,213.23	5,682.94
Stock in transit.....	-	13.50
Traded goods (refer note 21).....	46.70	168.61
Stores & spares .....	6,306.76	5,859.23
	31,753.76	28,414.32

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 17. CASH AND BANK BALANCES

(₹ in lacs)

Particulars	Non-current		Current	
	2015	2014	2015	2014
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts .....			823.66	70.37
Deposits with original maturity of less than three months .....			545.06	862.99
Unpaid dividend account .....			17.73	24.56
Cash on hand .....			16.43	8.95
			<b>1,402.88</b>	966.88
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months .....	1,565.67	886.00		
Deposits with original maturity for more than 3 months but less than 12 months.....			2,501.38	472.63
	<b>1,565.67</b>	886.00	<b>2,501.38</b>	472.63
Amount disclosed under non-current assets (note 15.2) .....	<b>1,565.67</b>	886.00		
	-	-	<b>3,904.26</b>	1,439.51

Out of total Deposits, deposits of ₹ 4612.11lacs (previous year ₹ 2221.63 lacs) are pledged with various banks for availing LC, Bank Guarantee, OD facilities, margin money and pledged with other Govt. Departments.

### 18 REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	2015	2014
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Manufacturing Goods and By-Products .....	210,772.62	168,232.37
Electricity .....	540.65	1,076.41
Traded Goods .....	4,677.11	342.81
Sale of services.....	33.06	1,968.28
<b>Other operating revenue</b>		
Sale of REC Certificate .....	637.89	927.24
<b>Revenue from operations (gross) .....</b>	<b>216,661.33</b>	172,547.11
Less: Excise duty#.....	23,156.13	18,455.15
<b>Revenue from operations (net).....</b>	<b>193,505.19</b>	154,091.96

# Excise duty on sales amounting to ₹ 23156.13 lacs (31st March, 2014: ₹ 18455.15 lacs ) has been reduced from sale in profit & loss account and excise duty on increase/decrease in stock amounting to ₹ 441.96 lacs (31st March,2014: (₹ 86.55 lacs)) has been considered as (income)/expense in note 23 of financial statements.

### Details of products sold

(₹ in lacs)

Particulars	2015	2014
<b>Finished Goods and by-products Sold</b>		
Pellet .....	86,757.00	37,720.21
Sponge Iron .....	46,023.50	38,964.74
Steel Billets .....	28,614.02	32,116.07
H.B.Wire .....	31,902.43	35,471.29
M.S.Round in Coil.....	7,326.84	12,186.19
Ferro Alloys.....	5,341.38	4,942.22
Electricity .....	540.65	1,076.41
By-Products & Others .....	5,445.34	7,758.87
<b>Traded Goods Sold</b>		
Coal.....	4,649.24	-
Scrap & other materials.....	27.87	342.81
	<b>216,628.26</b>	170,578.82

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### Details of products sold (contd)

Particulars	(₹ in lacs)	
	2015	2014
<b>Details of services rendered</b>		
Job Work & Other Services .....	33.06	1,968.28
	<b>33.06</b>	<b>1,968.28</b>

### 19. OTHER INCOME

Particulars	(₹ in lacs)	
	2015	2014
<b>Interest Income on</b>		
Bank Deposits .....	260.68	192.71
Others .....	762.13	907.01
<b>Dividend Income</b>		
- From Subsidiary Companies .....	360.25	1,312.75
- From Others .....	78.48	-
Profit on sale of non-current Investments .....	73.78	-
Profit on sale of fixed assets .....	71.62	-
Other non-operating income (net of expenses directly attributable to such income) .....	41.94	36.42
	<b>1,648.88</b>	<b>2,448.89</b>

### 20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	(₹ in lacs)	
	2015	2014
Inventory at the beginning of the year .....	16,530.18	16,092.34
Add: purchases .....	124,516.17	97,582.12
	<b>141,046.35</b>	<b>113,674.45</b>
Less : Inventory at the end of the year .....	13,926.96	16,530.18
Cost of raw material and components consumed .....	<b>127,119.39</b>	<b>97,144.28</b>

#### Details of raw material and components consumed

Particulars	(₹ in lacs)	
	2015	2014
Iron Ore & Fines .....	61,409.95	30,497.53
Coal .....	24,627.24	20,569.59
Pig Iron & Scrap .....	9,294.88	11,100.20
M.S.Round (in Coils) .....	18,709.98	22,248.26
Manganese Ore .....	2,159.07	2,003.45
Steel Billets .....	2,967.74	4,196.62
Rice Husk .....	4,060.74	3,997.10
Others .....	3,889.80	2,531.53
	<b>127,119.39</b>	<b>97,144.28</b>

#### Details of Inventory

Particulars	(₹ in lacs)	
	2015	2014
<b>Raw Material and Components</b>		
Iron Ore & Fines .....	8,390.22	13,785.18
Coal .....	3,870.25	637.94
Pig Iron & Scrap .....	365.96	193.39
M.S.Round (in Coils) .....	108.82	381.75
Manganese Ore .....	556.02	635.10
Steel Billets .....	81.84	385.60
Rice Husk .....	62.56	28.04
Others .....	491.28	483.17
	<b>13,926.96</b>	<b>16,530.18</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 21. (INCREASE)/DECREASE IN INVENTORIES

Particulars	2015	2014	(₹ in lacs)
			(Increase)/ Decrease
			<b>2015</b>
<b>Inventories at the end of the year</b>			
Finished goods and by-products .....	11,213.23	5,682.94	(5,530.28)
Work-in-progress .....	238.42	159.86	(78.56)
Traded goods .....	46.70	168.61	121.91
	<b>11,498.35</b>	<b>6,011.42</b>	<b>(5,486.93)</b>
<b>Inventories at the beginning of the year</b>			2014
Finished goods and by-products .....	5,682.94	5,656.43	(26.52)
Work-in-progress .....	159.86	178.30	18.44
Traded goods .....	168.61	118.41	(50.20)
	<b>6,011.42</b>	<b>5,953.14</b>	<b>(58.28)</b>
Net (increase)/decrease in inventories .....	<b>5,486.93</b>	<b>58.28</b>	
<b>Details of purchase of traded goods</b>			
<b>Particulars</b>	<b>2015</b>	2014	
Scrap .....	4,589.62	117.34	
Others .....	22.32	279.43	
	<b>4,611.94</b>	<b>396.76</b>	
<b>Details of Inventories</b>			
<b>Particulars</b>	<b>2015</b>	2014	
<b>Traded goods</b>			
Scrap & Others .....	46.70	168.61	
	<b>46.70</b>	<b>168.61</b>	
<b>Work-in-progress</b>			
Equipments .....	238.42	159.86	
	<b>238.42</b>	<b>159.86</b>	
<b>Finished goods and by-products</b>			
Pellet .....	3,701.93	822.92	
Sponge Iron .....	980.49	883.74	
Steel Billets .....	1,039.65	289.64	
H. B. Wire .....	664.70	995.68	
M. S. Round in Coil .....	166.34	147.86	
Ferro Alloys .....	79.70	73.07	
By-Products & Others .....	4,580.41	2,470.03	
	<b>11,213.23</b>	<b>5,682.94</b>	

### 22. EMPLOYEE BENEFITS EXPENSES

Particulars	2015	2014	(₹ in lacs)
Salaries, wages and bonus .....	5,822.57	4,797.17	
Contribution to provident and other fund .....	330.87	305.93	
Gratuity Expense (refer note-38) .....	120.58	82.09	
Workmen and staff welfare expenses .....	468.36	389.64	
	<b>6,742.39</b>	<b>5,574.83</b>	

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 23. OTHER EXPENSES

Particulars	(₹ in lacs)	
	2015	2014
Consumption of stores and spares	8,585.49	6,390.25
(Increase)/decrease of excise duty on inventory	441.96	(86.55)
Grid Parallel operation charges	220.89	188.60
Power & Fuel	13,417.31	12,484.79
Water Charges	441.75	407.02
Other manufacturing expenses	4,623.85	4,262.29
CDM Expenses	47.13	21.53
Rent	74.98	44.81
Rates and taxes		
- Entry tax	211.98	197.70
- Excise duty	182.41	280.25
- Electricity duty cess	9.01	9.89
- Others	13.51	7.58
Insurance	67.52	19.70
Repairs and maintenance		
- Plant and machinery	929.34	864.01
- Buildings	675.32	559.13
- Others	215.54	228.40
Rebate, shortage claims & other deductions	855.51	347.04
Commission		
- Other than Sole selling agents	295.75	198.30
Bad debts written off	-	135.15
Travelling and conveyance	632.02	480.00
Communication expenses	124.70	119.39
Printing and stationery	27.80	61.05
Legal and professional fees	215.86	338.31
Directors' sitting fees	10.90	3.95
Directors' remuneration	74.00	246.21
Payment to Auditor (Refer details below)	15.85	15.85
Frieght and forwarding charges	140.69	88.22
Security service charges	282.64	219.73
Loss on sale of fixed assets (net)	-	17.88
Loss on foreign exchange fluctuation	89.09	357.28
Corporate Social Responsibility	456.49	376.92
Miscellaneous expenses	806.18	958.43
	<b>34,185.47</b>	<b>29,843.09</b>
<b>Payment to Auditor</b>	<b>2015</b>	<b>2014</b>
<b>As auditor :</b>		
Audit fee .....	14.10	14.10
Tax Audit fee .....	1.00	1.00
<b>In other capacity</b>		
Taxation matters .....	0.75	0.75
	<b>15.85</b>	<b>15.85</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 24. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	(₹ in lacs)	
	2015	2014
Depreciation on tangible assets.....	6,285.71	6,530.69
Amortization of intangible assets.....	296.53	137.65
	<b>6,582.24</b>	<b>6,668.34</b>

### 25. FINANCE COSTS

Particulars	(₹ in lacs)	
	2015	2014
Interest		
- on debentures.....	1,612.67	2,514.64
- on term loans.....	5,325.95	3,177.65
- on working capital.....	3,163.71	2,441.32
- on others.....	224.64	386.24
Exchange difference to the extent considered as an adjustment to borrowing costs.....	402.83	862.05
Bank charges.....	3,757.90	2,068.94
	<b>14,487.70</b>	<b>11,450.83</b>

### 26. EARNINGS PER SHARE (EPS)

Particulars	(₹ in lacs)	
	2015	2014
Net profit as per statement of profit and loss.....	6,211.41	5,593.85
Net profit for calculation of basic EPS & Diluted EPS.....	6,211.41	5,593.85
Weighted average number of equity shares in calculating Basic EPS.....	32,756,247	32,756,247
Weighted average number of equity shares in calculating Diluted EPS.....	32,756,247	32,756,247
Basic & Diluted EPS.....		
- Basic earning per share.....	18.96	17.08
- Diluted earning per share.....	18.96	17.08

### 27. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS ARE NOT PROVIDED FOR IN RESPECT OF :-

- i) Counter Guarantees given to banks against Bank guarantees issued by the Company Banker aggregate to ₹ 1282 (Previous Year ₹ 1249 lacs.)
- ii) Corporate Guarantees issued in favour of bank aggregating to ₹ Nil (Previous Year ₹ 4647 lacs) in respect of financing facilities granted to other body corporate.
- iii) Disputed liability of ₹ 429.62 lacs (Previous Year ₹ 278.24 lacs) on account of Service Tax against which the company has preferred an appeal.
- iv) Disputed liability of ₹ 408.38 lacs (Previous Year ₹ 396.27 lacs) on account of CENVAT against which the company has preferred an appeal.
- v) Disputed liability of ₹ 401.43 lacs (Previous ₹ 335.84 lacs) on account of Sales Tax against which the company has preferred an appeal.
- vi) Disputed liability of ₹ 394.20 lacs (Previous Year ₹ 64.64) on account of Income Tax against which the company has preferred an appeal.
- vii) Disputed liability of ₹ 10 lacs (Previous Year ₹ 10 lacs) on account of Custom Duty against which the company has preferred an appeal.
- viii) Disputed energy development cess demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh ₹ 2804.79 lacs (Previous Year ₹ 2458.46lacs). The Hon'ble High Court of Chhattisgarh has held the levy of cess as unconstitutional vide its order dated 20th June,2008. The State Govt. has filed a Special Leave Petition before Hon'ble Supreme Court, which is pending for final disposal.
- ix) Disputed demand of ₹ 758 lacs (Previous Year ₹ 758 lacs) from Chhattisgarh State Power Distribution Company Limited relating to cross subsidy on power sold under open access during the financial year 2009-10. The company has contested the demand and obtained stay from CSERC and expect a favourable decision in favour of company.
- x) Estimated amount of contracts remaining to be executed on capital accounts ₹ 3361 lacs (Previous Year ₹ 4137 lacs).

28. In the opinion of the Board, the value of realisation of long term and short term loans & advances and non-current and current assets in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

29. The company has charged depreciation on remaining life of the fixed assets based on the remaining life of the fixed assets based on Schedule-II of the Companies Act, 2013 which have made effective from 01.04.2014. Consequently the depreciation for the year is lower by ₹ 20.90 crores. Further ₹ 2.35 crores (net of taxes) has been debited to retained earnings related to those assets whose remaining life were nil as on 01.04.2014 as per the transitional provision of Schedule-II.
30. The mining department has levied royalty on Iron Ore mining on the basis of rates applicable for the highest grades of Iron Ore. The Company has, however provided royalty on the basis of rates applicable to different grades of Iron Ore produced and dispatched. Pursuant to a writ petition filed by the company, the honorable high court of Chhattisgarh has upheld the company's contention of charging royalty and directed mining department to make fresh assessment of royalty payable. However the mining department has filed review appeal before the double bench of honorable high court of Chhattisgarh against the order. After assessment by mining department, cumulative amount of excess royalty of ₹ 44.05 Crores as on 31.03.15 (₹ 42.04 Crores as on 31.03.14) is shown as advance royalty and carried to Balance Sheet.
31. Information on Related Party as required by Accounting Standard-18, "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, are given below :

### i) Related Parties

#### a) Subsidiaries

Godawari Green Energy Limited (Wholly owned)  
 Godawari Clinkers & Cement Limited (Wholly owned)  
 Krishna Global Minerals Limited (Wholly owned)  
 Godawari Integrated Steels (India) Limited (Wholly owned)  
 Godawari Energy Limited  
 Ardent Steel Limited  
 Hira Ferro Alloys Limited

#### b) Associates

- Jagdamba Power & Alloys Ltd.  
 - Chhattisgarh Ispat Bhumi Limited

#### c) Other Related Enterprises where control exist

- Hira Cement Ltd.  
 - Raipur Complex

#### d) Joint Ventures

- Raipur Infrastructure Company Ltd.  
 - Chhattisgarh Captive Coal Mining Ltd.  
 - Godawari Natural Resources Ltd.

#### e) Key Management Personnel

- Shri B.L.Agrawal (Managing Director)  
 - Shri Abhishek Agrawal (Whole Time Director)  
 - Shri Dinesh Agrawal (Whole Time Director)  
 - Shri Vinod Pillai (Whole Time Director)  
 - Shri Sanjay Bothra (CFO)  
 - Shri Y.C. Rao (Company Secretary)

### ii) Transaction with Related Parties in the ordinary course of business (₹ in lacs)

	2014-15	2013-14
<b>a) Subsidiaries</b>		
Purchase of Materials.....	1,332.92	3,038.67
Sale of Materials .....	473.10	2,739.95
Sale of services.....	-	561.80
Interest Paid.....	-	246.86
Interest Received.....	188.67	624.41
Dividend Received.....	360.25	1,312.75
Job Work Income.....	0.77	0.28
Sale of fixed assets.....	61.59	47.17
Purchase of fixed assets .....	39.10	115.65
Investment made .....	0.00	3,295.00
Advance received.....	2,187.17	7,602.17
Repayment of advance received .....	2,187.17	7,602.17
Advance given .....	4,130.00	7,331.71
Repayment received of advance given .....	4,327.63	8,403.53
<b>Outstandings</b>		
Receivables .....	1,165.30	1,178.58
Payables.....	102.16	358.60

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

		2014-15	2013-14	
<b>b) Associates</b>	Equipment Hiring Charges .....	475.19	14.79	
	Sale of Materials .....	0.02	0.16	
	Purchase of fixed assets .....	81.02	-	
	Other charges received .....	0.99	1.38	
	Investment made .....	384.90	260.00	
	<b>Outstandings</b>			
	Receivables .....	110.00	14.72	
	Payables.....	93.60	-	
	<b>c) Other Related Enterprises where control exist</b>	Purchase of Materials.....	644.06	542.44
		Sale of Materials .....	17.29	194.02
Purchase of Fixed Assets .....		0.00	2.01	
Sale of Fixed Assets.....		0.00	3.17	
Rent Paid .....		17.33	4.51	
Other charges paid .....		209.65	87.09	
Advance given .....		0.00	175.00	
Repayment of Advance given .....		0.00	50.00	
<b>Outstandings</b>				
Receivables .....		0.17	21.83	
Payables.....	32.64	125.00		
<b>d) Joint Ventures</b>	Service Charges Paid .....	589.17	485.26	
	Interest Paid.....	1.51	0.00	
	Dividend Received.....	78.48	0.00	
	Investment made .....	1.69	37.35	
	<b>Outstandings</b>			
	Payables.....	246.01	90.73	
	Receivables .....	-	-	
<b>Guarantee &amp; Collaterals .....</b>	0.00	4453.00		
<b>e) Key Management Personnel</b>	Remuneration Paid.....	70.80	147.60	
	Salary Paid .....	46.90	45.26	
	Commission Paid .....	0.00	60.00	

**iii) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year**

	2014-15	2013-14
		(₹ in Lacs)
<b>a) Purchase of Materials:</b>		
Hira Ferro Alloys Ltd.....	1,223.64	2,255.32
Hira Cement Ltd .....	644.06	544.45
Ardent Steel Ltd.....	109.28	33.29
<b>b) Service Charges Paid:</b>		
Raipur Infrastructure Company Limited .....	589.17	485.26
Chhattisgarh Ispat Bhumi Limited.....	471.49	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

	2014-15	2013-14
Hira Cement Ltd. ....	209.65	87.09
Jagdamba Power & Alloys Ltd. ....	3.69	14.79
<b>c) Sale of Materials:</b>		
Hira Ferro Alloys Ltd. ....	453.10	2,732.94
Hira Cement Ltd. ....	17.29	197.19
<b>d) Sale of services:</b>		
Ardent Steel Limited ....	-	561.80
<b>e) Interest Paid:</b>		
Ardent Steel Limited ....	-	246.86
<b>f) Interest received:</b>		
Godawari Green Energy Limited.....	57.81	306.57
Godawari Energy Limited.....	125.61	313.66
<b>g) Dividend received:</b>		
Raipur Infrastructure Company Pvt.Limited.....	78.48	-
Ardent Steel Limited ....	300.00	1,252.50
Hira Ferro Alloys Limited ....	60.25	60.25
<b>h) Investment Made:</b>		
Godawari Green Energy Limited.....	0.00	3,295.00
Chhattisgarh Ispat Bhumi Limited.....	384.90	-
Godawari Natural Resources Ltd. ....	1.69	-
Jagdamba Power & Alloys Limited.....	-	260.00
<b>i) Repayment of Advance received:</b>		
Ardent Steel Limited ....	2,187.17	7,602.17
<b>j) Advance Received:</b>		
Ardent Steel Limited ....	2,187.17	7,602.17
<b>k) Loan/Advance Given:</b>		
Ardent Steel Ltd.....	2,499.00	-
Godawari Energy Limited.....	466.79	466.79
Godawari Green Energy Limited.....	6,864.91	6,864.91
<b>l) Repayment receipt of Loan/Advance given:</b>		
Ardent Steel Limited ....	2,499.00	-
Godawari Energy Limited.....	1,798.73	2,231.53
Godawari Green Energy Limited.....	29.90	6,172.00
<b>m) Rent Paid:</b>		
Raipur Complex.....	17.20	4.38
<b>n) Remuneration/Salary Paid:</b>		
Shri B. L. Agrawal.....	24.00	54.00
Shri Dinesh Agrawal.....	18.00	42.00
Shri Abhisekh Agrawal.....	18.00	42.00

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

	2014-15	2013-14
Shri Vinod Pillai .....	10.80	9.60
Shri Sanjay Bothra .....	28.46	26.03
Shri Y.C. Rao .....	24.13	19.23
<b>o) Commission Paid:</b>		
Shri B.L.Agrawal .....	-	40.00
Shri Dinesh Agrawal .....	-	12.50
Shri Abhisekh Agrawal .....	-	7.50
<b>p) Guarantees &amp; Collaterals</b>		
Chhattisgarh Captive Coal Mining Ltd.....	-	4,453.00

### 32. SEGMENT-WISE REVENUE RESULTS :

#### Basis of preparation :

- Business segments of the company have been identified as distinguishable components that are engaged in a group of related product and that are subject to risks and returns different from other business segments. Accordingly Steel and Electricity have been identified as the business segments.
- The geographic segments identified as secondary segments are "Domestic Market" and "Export Market". Since there is no Export Market Revenue, the same has not been disclosed. The entire capital employed is within India.

#### Information about business Segments-Primary

(₹ in lacs)

Particulars	External Sales		Inter Segment Sales		Eliminations		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>A) REVENUE</b>								
Steel Segment.....	192326.66	151767.28	0.00	0.00	0.00	0.00	192326.66	151767.28
Electricity Segment.....	1178.54	2003.35	17063.11	15647.46	(17063.11)	(15326.13)	1178.54	2324.68
<b>Total Segment Revenue.....</b>	<b>193505.19</b>	<b>153770.63</b>	<b>17063.11</b>	<b>15647.46</b>	<b>(17063.11)</b>	<b>(13921.51)</b>	<b>193505.19</b>	<b>154091.96</b>

<b>B) RESULTS</b>	2014-15	2013-14
Segment Operational Profit		
Steel Segment.....	14781.68	13596.00
Electricity Segment.....	8610.29	6478.04
<b>Total Segment Results .....</b>	<b>23391.97</b>	<b>20074.04</b>
Un-allocated expenditure net off unallocated income.....	(3393.33)	(3102.21)
<b>Operating Profit.....</b>	<b>19998.64</b>	<b>16971.83</b>
Interest Expenses .....	(14487.70)	(11450.83)
Tax Expense .....	700.47	72.85
<b>Net Profit .....</b>	<b>6211.41</b>	<b>5593.85</b>

<b>C) OTHER INFORMATION</b>	2014-15	2013-14
Segment Assets .....		
Steel Segment.....	208604.74	183401.43
Electricity Segment.....	41603.62	39712.71
<b>Total Segment Assets.....</b>	<b>250208.36</b>	<b>223114.14</b>
Un-allocable Assets .....	2767.39	852.55
<b>Total Assets.....</b>	<b>252975.75</b>	<b>223966.70</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

C) OTHER INFORMATION	2014-15	2013-14
Segment Liabilities and Provisions		
Steel Segment.....	141211.45	121120.28
Electricity Segment.....	22847.80	21756.51
<b>Total Segment Liabilities &amp; Provisions.....</b>	<b>164059.25</b>	<b>142876.79</b>
Un-allocable Liabilities and Provisions.....	6890.24	4657.48
<b>Total Liabilities and Provisions.....</b>	<b>170949.49</b>	<b>147534.27</b>
Capital Expenditure		
Steel Segment.....	15002.32	57975.55
Electricity Segment.....	675.35	1497.33
Un-allocable Capital Expenditure.....	428.43	3103.05
<b>Total Capital Expenditure.....</b>	<b>16106.10</b>	<b>62575.93</b>
Depreciation & Amortisation		
Steel Segment.....	6087.52	5001.10
Electricity Segment.....	494.72	1667.24
<b>Total Segment Depreciation &amp; Amortisation.....</b>	<b>6582.24</b>	<b>6668.34</b>

### 33. INTEREST IN JOINT VENTURES:

The Company's interests, as a venturer, in jointly controlled entities (incorporated Joint Ventures) are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2015	Percentage of ownership interest as at 31st March, 2014
Chhattisgarh Captive Coal Mining Ltd.	India	25.93%	25.93%
Raipur Infrastructure Co.Ltd.	India	33.33%	33.33%
Godawari Natural Resources Ltd.	India	33.88%	0.00%

The Company's interests in these joint ventures are reported as Non-current Investments (Note-13) and stated at cost. However, the company's share of each of the assets, liabilities, income & expenses etc. (each without elimination of, the effect of the transactions between the company and the joint venture) related to its interests in these joint ventures, based on the unaudited financial information as certified by the directors of the joint ventures, are :

Particulars	2014-15	2013-14
Non-Current Assets.....	882.36	1006.38
Current Assets.....	278.14	246.66
Non-Current Liabilities.....	0.00	6.52
Current Liabilities.....	7.70	37.91
Revenue.....	189.10	184.76
Expenses.....	136.76	31.47
<b>Other Matters</b>		
Contingent Liabilities.....	0.00	1349.14

34. The Company was allotted three Coal Blocks i.e. Nakia, Madanpur (North) & Madanpur (South) in the State of Chhattisgarh in consortium with other companies through JV Company, namely Chhattisgarh Captive Coal Mining Ltd. However, the said Coal Blocks could not start operations in view of pendency of certain administrative approvals and these Coal Blocks were de-allocated by the Ministry of Coal, which was, however, stayed by the Hon'ble High Court of Delhi and the matter has been sub-judice. The allocation of said Coal Blocks stands cancelled by virtue of the Order dated September 24, 2014 passed by the Hon'ble Supreme Court. The Company has invested ₹ 6.31 crores in the equity capital of JV Company which has been utilised by JV Company for development of said coal blocks. No provision for impairment in value of Investments in JV Company has been made in view of likely realization of amount invested upon reimbursement of cost incurred by the Company from the future allocates of the said coal blocks. The JV Company is also in process of realization of current assets held by it and the amount is expected to be refunded to the shareholders in due course. Accordingly the provision for impairment in value of investment, if any, shall be made as and when the amount of actual loss is determined.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 35. DERIVATIVE AND UN HEDGED FOREIGN CURRENCY EXPOSURE

Foreign currency exposure that are not hedged by derivative instruments or Forward Contracts as at 31st March,2015 amount to ₹ 51139.08 lacs (Previous Year ₹ 44360.67 lacs)

36. During the year the company has incurred ₹ 456.49 lacs on account of Corporate Social Responsibility Activities. According to provisions of section 135 of the Companies Act,2013, the company is required to spent ₹ 172.68 Lacs based on the average net profits of the previous three years. The break-up of amount spent during the year are as follows:

(₹ in lacs)

Particulars	In Cash Yet to be paid in cash		Total
Constructions/acquisition of any assets .....	0.00	0.00	0.00
On purpose other than above .....	456.49	0.00	456.49

37. The Company has identified the amount due to Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act) as at 31st March,2015

(₹ in lacs)

Particulars	2014-15	2013-14
	i) The principal amount and the interest due thereon remaining unpaid to any supplier as at 31st March,2015	
Principal Amount .....	380.57	400.36
Interest .....	0.00	0.00
ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending 31st March,2015 .....	0.00	0.00
iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year).....	0.00	0.00
iv) The amount of interest accrued and remaining unpaid for the year ending 31st March,2015 .....	0.00	0.00
v) The amount of further interest remaining due and payable for the earlier years.....	0.00	0.00

Note : The information has been given in respect of such suppliers to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.

### 38. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS :

The Company has a defined gratuity benefit plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has not been externally funded. Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per the Projected unit credit method.

The following tables summarise the components of net benefit expense recognized in the profit and loss account and the unfunded status and amounts recognized in the balance sheet for the Gratuity.Profit and Loss account

#### Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)

(₹ in lacs)

Particulars	(Gratuity)	
	2014-15	2013-14
Current Service cost .....	50.96	35.74
Interest cost on benefit obligation.....	21.06	16.67
Expected return on plan assets.....	0.00	0.00
Net actuarial loss recognised in the year.....	48.56	29.68
Past service cost .....	0.00	0.00
Actual return on plan assets.....	120.58	82.09

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### Balance Sheet

Details of provision for Gratuity

(₹ in lacs)

Particulars	2014-15	2013-14
Defined benefit obligation .....	314.54	212.01
Fair value of plan assets .....	0.00	0.00
	314.54	212.01
Less : Unrecognised past service cost.....	0.00	0.00
Plan liability.....	314.54	212.01

Changes in the present value of the defined benefit obligation are as follows:

(₹ in lacs)

Particulars	2014-15	2013-14
Defined benefit obligation as at April 1, 2014.....	212.01	158.46
Interest cost .....	21.06	16.67
Current Service Cost .....	50.96	35.74
Benefits paid.....	(18.05)	(28.54)
Actuarial losses on obligation.....	48.56	29.68
Defined benefit obligation as at March 31, 2015 .....	314.54	212.01

Since the entire amount of plan obligation is unfunded therefore changes in the fair value of plan assets are not given. Further the entire amount of plan obligation is unfunded therefore categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets in the next year is not given.

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below :

Particulars	2014-15	2013-14
Discount Rate .....	8.25%	8.25%
Increase in Compensation cost.....	5.00%	5.00%
Rate of return on plan assets.....	0.00	0.00
Expected average remaining working lives of employee (years).....	23.55	23.55

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### Contribution to Defined Contribution Plans:

(₹ in lacs)

Particulars	2014-15	2013-14
Provident Fund.....	254.59	206.18

### 39. DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT

Loans and Advances in the nature of loans given to Subsidiaries

(₹ in lacs)

Name of the Subsidiary Company	Amount outstanding as at 31.03.2015	Maximum amount outstanding during the year	Investment by the lonee in the shares of the company
Godawari Energy Limited .....	1163.00	1163.00	0.00
Godawari Green Energy Limited.....	0.00	865.91	0.00

#### 40. BREAKUP OF RAW MATERIAL CONSUMED

Particulars	2014-15		2013-14	
	%	₹ in lacs	%	₹ in lacs
Imported.....	5.60%	7114.66	7.75%	7,531.03
Indigenous.....	94.40%	120004.73	92.25%	89613.25
	100.00%	127119.39	100.00%	97144.28

#### 41. STORES CONSUMED

Particulars	2014-15		2013-14	
	%	₹ in lacs	%	₹ in lacs
Imported.....	94.98%	8154.84	95.86%	6126.00
Indigenous.....	5.02%	430.65	4.14%	264.25
	100.00%	8585.49	100.00%	6390.25

#### 42. VALUE OF IMPORT ON CIF BASIS

Particulars	2014-15		2013-14	
	(₹ in lacs)			
- Capital Goods.....	59.83		12345.34	
- Raw Material & Stores items .....	13244.89		1693.57	

#### 43.

Particulars	2014-15		2013-14	
	(₹ in lacs)			
Expenditure in Foreign Currency.....	2015.42		2142.49	

#### 44. EARNING IN FOREIGN EXCHANGE

Particulars	2014-15		2013-14	
	(₹ in lacs)			
Sale of goods on FOB Value .....	-		156.99	

45. Previous year figures have been regrouped or rearranged wherever necessary.

For **OPSinghania & CO.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

per **Sanjay Singhania**  
Partner  
Membership No.076961

Place : Raipur  
Date : 16th May, 2015

For and on behalf of the Board of Directors of  
**Godawari Power & Ispat Limited**

**B. L. Agrawal**  
Managing Director

**Abhishek Agrawal**  
Whole Time Director

**Y. C. Rao**  
Company Secretary

**Sanjay Bothra**  
CFO



### TO THE MEMBERS OF GODAWARI POWER & ISPAT LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GODAWARI POWER & ISPAT LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

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

#### Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant

to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- i) of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015; and
- ii) their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

- a) Note no.35 which describes the uncertainty related to investments in Joint Venture Company where the allotted coal block has also been cancelled. No impairment loss has been booked in anticipation that the realizable value of the assets of the JV shall be more than the value of investment of the company. Impact is presently not ascertainable and as such cannot be commented upon by us.

Our opinion is not qualified in respect of these matters.

#### Other Matters

We did not audit the financial statements / financial information of two jointly controlled entities, whose financial statements / financial information reflect total assets of ₹ 637.61 lacs as at 31st March, 2015, total revenues of ₹ 188.94 lacs and net cash flows amounting to ₹ 154.86 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 5.44 lacs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and associates, and our report in terms

of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
    - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
    - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
    - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
    - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities— Refer Note 32 to the consolidated financial statements.
    - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

**For, OPSinghania & Co.**  
**(ICAI Firm Regn.No.002172C)**  
Chartered Accountants

**per Sanjay Singhania**  
Partner  
Membership No.076961

Raipur, 16th May, 2015

### Re: GODAWARI POWER & ISPAT LIMITED

Our reporting on the CARO, 2015 includes 7 subsidiary companies, 1 associate company and 1 jointly controlled company incorporated in India, to which CARO, 2015 is to the extent considered applicable for reporting in the case of the consolidated financial statements.

In respect of 2 Joint Venture companies and an associate company incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements/ consolidated financial statements of such entities provided to us by the Management and hence no Report under CARO, 2015 is available, and accordingly the possible effects of the same on our reporting under CARO, 2015 has not been considered.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
- The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a phased periodical programme of verification which, in our opinion is reasonable. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
- As explained to us, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - In our opinion and according to the information and explanations given to us, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company has granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013:
- The receipts of principal amounts and interest have been regular / as per stipulations.
- (b) There are no overdue amounts in excess of ₹ 1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information & explanations given to us, there is an adequate internal control system in the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) In our opinion and according to the information and explanations given to us, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) In our opinion and according to the information and explanations given to us, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, wherever applicable. We have, however, not made a detailed examination of the records.
- (vii) According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
- The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities. There were no material undisputed amounts payable by the respective entities in respect of such dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
  - Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Name of the Statute	Nature of dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty & Service Tax	Various years from 2005-06 to Nov'2012	733.88	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
	Excise Duty & Service Tax	Various years from 2007-08 to 2013-14	129.54	The Commissioner (Appeals) Central Excise, Customs & Service Tax Raipur

Name of the Statute	Nature of dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
	Excise Duty	1995-96	5.05	High Court of Chhattisgarh, Bilaspur
	Excise Duty	2011-12	2.68	Commissioner Appeals, Bhubneshwar, Odisha
Customs Act, 1962	Custom Duty	2012-13	10.00	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
	Custom Duty	2010-11 & 2011-12	76.53	Commissioner (Appeal) Customs House, Port-Vishakhapatnam (A.P.)
Income Tax Act, 1961	Income Tax demand & penalty	A.Y. 2008-09 & 2012-13	394.20	Commissioner of Income Tax (Appeals), Raipur
C.G. Commercial Tax	Commercial Tax & Entry Tax	Various years from 2002-03 to 2010-11	45.59	Deputy Commissioner, (Appl) Commercial Taxes, Raipur
Central Sales Tax, 1956 & C.G. Commercial Tax Act	VAT, Entry Tax & CST	Various years from 2007-08 to 2010-11	338.50	Addl. Commissioner (Appl), Commercial Taxes, Raipur
	CST & Entry Tax	Various years from 1994-95 to 2007-08	10.12	Board of Revenue, Bilaspur
Chhattisgarh Upkar Adhiniyam 1981	Energy Development Cess	May 2006 to Feb 2014	4133.08	Supreme Court
The Orissa Value Added Tax (Amendment) Act, 2005, The Odisha Entry Tax Act, 1999 & Central Sales Tax Act, 1956	VAT, Entry Tax & CST	2009-10 to 2012-13	239.82	Addl. Commissioner of Commercial Taxes, Cuttack, Odisha
	Entry Tax	2011-12	11.90	Joint Commissioner of Commercial Taxes, Cuttack, Odisha
	CST	2011-12 & 2012-13	6.58	Commissioner of Commercial Taxes, Cuttack, Odisha

- (c) According to the information and explanations given to us, amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund within time by the respective entities.
- (viii) The Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India do not have consolidated accumulated losses at the end of the financial year nor have they incurred cash losses, on a consolidated basis, during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) According to the information and explanations given to us, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions. Accordingly the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India and no material fraud on the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India has been noticed or reported during the year.

**For, OPSinghania & Co.**  
**(ICAI Firm Regn.No.002172C)**  
Chartered Accountants

**per Sanjay Singhania**  
Partner  
Membership No.076961

Raipur, 16th May, 2015

# GODAWARI POWER & ISPAT LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2015

Particulars	Note No.	(₹ in lacs)	
		2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital .....	2	3,275.62	3,275.62
Reserves and surplus .....	3	89,165.18	83,148.12
		<b>92,440.80</b>	86,423.75
<b>Minorities Interest</b>			
		<b>16,711.69</b>	16,265.14
<b>Non-current liabilities</b>			
Long-term borrowings .....	4	140,944.10	150,384.93
Deferred tax liabilities (net) .....	5	8,351.50	8,287.95
Other long-term liabilities .....	6	297.84	320.96
Long-term provisions .....	7	457.16	334.69
		<b>150,050.60</b>	159,328.53
<b>Current liabilities</b>			
Short-term borrowings .....	8	37,402.89	39,488.07
Trade payables .....	9	48,283.43	25,978.76
Other current liabilities .....	9	29,184.95	22,800.16
Short-term provisions .....	7	736.87	1,084.50
		<b>115,608.13</b>	89,351.50
<b>TOTAL</b> .....		<b>374,811.22</b>	351,368.92
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible assets .....	10	235,499.09	229,800.60
Intangible assets .....	11	4,783.03	2,975.25
Capital work-in-progress tangible assets .....		18,144.69	13,698.51
Capital work-in-progress Intangible assets .....		547.28	33.01
Non-current investments .....	12	6,638.86	4,966.65
Long-term loans and advances .....	13	2,065.61	8,925.79
Other non-current assets .....	14.2	1,760.49	2,291.99
		<b>269,439.05</b>	262,691.79
<b>Current assets</b>			
Current investments .....	15	61.99	111.46
Inventories .....	16	41,922.20	40,222.70
Trade receivables .....	14.1	15,591.92	10,185.68
Cash & bank balances .....	17	10,525.85	3,487.31
Short-term loans and advances .....	13	37,097.71	34,625.82
Other current assets .....	14.2	172.51	44.15
		<b>105,372.17</b>	88,677.13
<b>TOTAL</b> .....		<b>374,811.22</b>	351,368.92
<b>Summary of significant accounting policies</b> .....	1		

The accompanying notes are integral part of the financial statement  
As per our report of even date  
For **OPSinghania & CO.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

per **Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 16.05.2015

For and on behalf of the Board of Directors of  
**Godawari Power & Ispat Limited**

**B. L. Agrawal**  
Managing Director

**Abhishek Agrawal**  
Whole Time Director

**Y. C. Rao**  
Company Secretary

**Sanjay Bothra**  
CFO

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	Note No.	(₹ in lacs)	
		2015	2014
<b>INCOME</b>			
Revenue from operations (gross) .....	18	266,537.82	234,986.89
Less: Excise duty .....		27,039.84	23,181.52
Revenue from operations (net) .....		239,497.98	211,805.37
Other Income .....	19	6,021.90	1,554.73
<b>TOTAL REVENUE (I) .....</b>		<b>245,519.88</b>	213,360.10
<b>EXPENDITURE</b>			
Cost of raw material and component consumed .....	20	147,300.71	123,386.08
Purchase of Traded Goods .....		4,883.52	987.59
(Increase/decrease in inventories of finished goods .....	21	(5,358.18)	(1,359.33)
work-in-progress and traded goods .....			
Employees benefits expenses .....	22	9,119.24	7,986.13
Other Expenses .....	23	47,731.94	46,080.28
Depreciation and amortization expenses .....	24	11,817.51	10,548.81
Finance costs .....	25	22,365.22	16,501.16
<b>TOTAL EXPENDITURE (II) .....</b>		<b>237,859.95</b>	204,130.72
<b>Profit/(loss) before tax .....</b>		<b>7,659.93</b>	9,229.38
<b>Tax expenses</b>			
Current tax .....		1,795.98	2,665.12
Deferred Tax .....		173.35	544.73
MAT Credit Entitlement .....		(1,437.03)	(967.81)
Income tax related to earlier year .....		54.92	(9.94)
<b>Total tax expenses .....</b>		<b>587.21</b>	2,232.10
<b>Profit/(loss) for the year from continuing operations .....</b>		<b>7,072.71</b>	6,997.28
Less: Minorities Interest .....		446.54	1,094.61
Less: Share of Loss of associate company .....		5.51	118.79
<b>Net Profit for the year .....</b>		<b>6,620.66</b>	5,783.88
<b>Earnings per equity share [nominal value of share</b>	26		
@ ₹ 10/- (31st March, 2014" ₹ 10]			
<b>Basic .....</b>		20.21	17.66
<b>Diluted .....</b>		20.21	17.66
<b>Summary of significant accounting policies .....</b>	1		

The accompanying notes are integral part of the financial statement  
As per our report of even date  
For **OPSinghania & CO.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

per **Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 16.05.2015

For and on behalf of the Board of Directors of  
**Godawari Power & Ispat Limited**

**B. L. Agrawal**  
Managing Director

**Abhishek Agrawal**  
Whole Time Director

**Y. C. Rao**  
Company Secretary

**Sanjay Bothra**  
CFO

# GODAWARI POWER & ISPAT LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

Particulars	(₹ in lacs)	
	2015	2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations .....	7,659.93	9,229.38
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operation .....	11,817.51	10,548.81
Amortization of expenses .....	0.96	1.56
Provision for gratuity .....	153.88	96.23
Net gain on sale of investments .....	(4,018.70)	-
(Profit)/Loss on sale of fixed assets .....	(92.82)	(30.78)
Premium on forward exchange contract amortized .....	-	-
Provision for doubtful debts .....	65.67	-
Share of Loss/(profit) of LLP .....	0.02	0.12
Interest Expenses .....	22,365.22	16,501.16
Interest Income .....	(1,430.31)	(1,231.14)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES.....</b>	<b>36,521.37</b>	<b>35,115.35</b>
Movements in working capital :		
Increase/(decrease) in trade payables .....	22,304.67	(8,478.77)
Increase/(decrease) in other current liabilities .....	(581.83)	130.07
Increase/(decrease) in other long-term liabilities .....	(23.12)	91.16
Decrease/(increase) in trade receivables .....	(5,340.56)	484.87
Decrease/(increase) in inventories .....	(1,699.49)	(5,469.18)
Decrease/(increase) in long-term loans and advances .....	6,860.18	(7,900.50)
Decrease/(increase) in short-term loans and advances .....	(1,042.80)	(5,649.12)
Decrease/(increase) in other current assets .....	(129.32)	145.38
Decrease/(increase) in other non-current assets .....	19.20	(22.22)
<b>Cash generated from/(used in ) operations.....</b>	<b>56,888.31</b>	<b>8,447.05</b>
Direct taxes paid (net of refunds) .....	(1,811.20)	(2,890.11)
<b>Net Cash flow from/(used in) operating activities .....</b> A	<b>55,077.11</b>	<b>5,556.94</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets including CWIP .....	(24,809.12)	(31,396.71)
Proceeds from sale of fixed assets .....	163.74	345.14
Net gain on sale of investments .....	4,018.70	-
(Increase)/decrease in current investments .....	49.47	-
(Increase)/decrease in long term investments .....	(1,376.55)	(310.43)
Investments in bank deposits (having original maturity of more than three months) .....	(6,293.77)	2,538.72
Interest received .....	1,430.31	1,231.14
<b>Net cash flow from/(used in) investing activities.....</b> B	<b>(26,817.22)</b>	<b>(27,592.14)</b>



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

Particulars	(₹ in lacs)	
	2015	2014
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Payment) of long-term borrowings .....	(9,440.83)	43,636.88
Proceeds/(Payment) of short-term borrowings .....	4,881.43	(3,661.98)
Interest paid.....	(22,365.22)	(16,501.16)
Minorities Interest.....	-	(426.15)
Dividends paid on equity shares .....	(845.09)	(1,427.78)
Tax on equity dividend paid.....	(101.29)	(285.71)
<b>Net cash flow from/(used in) financing activities .....</b>	<b>(27,871.01)</b>	21,334.10
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C).....	<b>388.88</b>	(701.10)
Cash and Cash Equivalents at the beginning of the year .....	<b>2,508.48</b>	3,209.58
<b>Cash and Cash Equivalents at the end of the year.....</b>	<b>2,897.36</b>	2,508.48
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash in hand .....	<b>34.73</b>	36.21
Stamp in hand.....	<b>1.23</b>	1.23
With banks - on current account.....	<b>1,079.48</b>	976.92
- on deposit account.....	<b>1,757.78</b>	1,463.66
- on unpaid dividend account*.....	<b>24.15</b>	30.47
	<b>2,897.36</b>	2,508.48

### Notes :

- Figures of previous year have been regrouped or rearranged wherever necessary.
- \*The company can utilize these balances only toward settlement of the respective unpaid dividend amount.

As per our report of even date  
For **OPSinghania & CO.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

per **Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 16.05.2015

For and on behalf of the Board of Directors of  
**Godawari Power & Ispat Limited**

**B. L. Agrawal**  
Managing Director

**Abhishek Agrawal**  
Whole Time Director

**Y. C. Rao**  
Company Secretary

**Sanjay Bothra**  
CFO



### 1. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT & LOSS

#### (i) PRINCIPLES OF CONSOLIDATION :

The Consolidated Financial Statements relate to the Godawari Power & Ispat Limited ("the Parent Company"), its Subsidiaries Companies viz., Hira Ferro Alloys Limited, Godawari Energy Limited, Godawari Green Energy Limited, Godawari Clinkers & Cement Limited, Krishna Global & Minerals Limited, Godawari Integrated Steel (India) Limited and Ardent Steel Limited and Joint Ventures Companies viz. Raipur Infrastructure Company Limited, Godawari Natural Resources and Chhattisgarh Captive Coal Mining Limited and associates viz., Jagdamba Power & Alloys Limited and Chhattisgarh Ispat Bhumi Limited, collectively referred to as 'the Group'. The consolidated financial statements have been prepared on the following basis :

- a) The Financial Statements of the parent company and its subsidiaries companies have been combined on a line-by-line basis by adding together the book values of items like assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses in accordance with the Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. Further in accordance with AS-27 "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India, the group has accounted for its proportionate share of interest in joint ventures by the proportionate consolidation method.
  - b) In case of associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" as notified by the Companies (Accounting Standards) Rules, 2014.
  - c) The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as goodwill or Capital Reserve.
  - d) Minority interest's share in the net assets of the consolidated subsidiaries consist of :-
    - (i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
    - (ii) The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
  - e) Minority interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
  - f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements except in case of subsidiaries where valuation of inventories has been made on the basis of FIFO and weighted average basis whereas moving weighted average has been used by parent company.
- (ii) Investments other than in subsidiaries and joint ventures have been accounted for as per Accounting Standard (AS) 13 on "Accounting for Investments".
- (iii) **Other Significant Accounting Policies**

These are set-out under "Significant Accounting Policies" as given in the respective financial statements of the parent company and its subsidiaries, associates and joint venture companies.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 2. SHARE CAPITAL

Particulars	(₹ in lacs)	
	2015	2014
<b>Authorised</b>		
231350000 Equity shares of ₹ 10/- each .....	23,135.00	23,135.00
3,200,000 Preference Shares of ₹ 10 each .....	320.00	320.00
11,600,000 Preference Shares of ₹ 100/- each .....	11,600.00	11,600.00
<b>Issued</b>		
32,756,247 (31,756,247) equity shares of ₹ 10/- each .....	3,275.62	3,275.62
<b>Subscribed and fully paid-up</b>		
32,756,247 (31,756,247) equity shares of ₹ 10/- each fully paid-up .....	3,275.62	3,275.62

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

##### Equity shares

Particulars	2015		2014	
	No.	(₹ in lacs)	No.	(₹ in lacs)
At the beginning of the period.....	32756247	3,275.62	32756247	3,275.62
Issued during the period .....	-	-	-	-
Outstanding at the end of the period.....	32756247	3,275.62	32756247	3,275.62

#### b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March,2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil as Interim dividend (31st March,2014 : ₹ 1.50) and ₹ 1.00 as proposed final equity dividend (31st March,2014 : ₹ 1.00 as proposed final equity dividend).

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c. Details of shareholders holding more than 5% shares in the company:

Particulars	2015		2014	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of ₹ 10/- each fully paid .....				
ICICI Prudential Value Discovery Fund.....	1865927	5.70	1911218	5.83
Hira Infra-tek Limited .....	1790652	5.47	1790652	5.47
Dinesh Agrawal .....	1846347	5.64	1846347	5.64
B. L. Agrawal .....	1731398	5.29	1731398	5.29
	7234324	22.09	7279615	22.22

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 3. RESERVES AND SURPLUS

Particulars	(₹ in lacs)	
	2015	2014
<b>Capital Reserve</b>		
Balance as per last financial statements.....	4,575.83	3,275.83
Addition during the year.....	-	1,300.00
Addition on consolidation of JV.....	0.13	-
	<b>4,575.96</b>	4,575.83
<b>Debenture Redemption Reserve</b>		
Balance as per last financial statements.....	3,875.00	5,666.00
Less: transfer to general reserve.....	1,500.00	1,791.00
	<b>2,375.00</b>	3,875.00
<b>Securities Premium Reserve</b>		
Balance as per last financial statements.....	17,842.05	17,842.05
	<b>17,842.05</b>	17,842.05
<b>General Reserve</b>		
Balance as per last financial statements.....	15,991.00	11,950.00
Add: Amount transferred from Debenture Redemption Reserve.....	1,500.00	1,791.00
Add: Amount transferred from surplus balance in the statement of profit and loss.....	150.00	2,250.00
	<b>17,641.00</b>	15,991.00
<b>Share in Reserves of Associate Company</b>		
Capital Reserve:		
As per last Balance Sheet.....	3,110.20	-
Add: on account of consolidation.....	295.65	3,110.20
	<b>3,405.85</b>	3,110.20
<b>Surplus/(deficit) in the statement of profit and loss</b>		
Balance brought forward from previous year.....	37,754.04	35,730.14
Add: Profit for the year.....	6,620.66	5,783.88
<b>Profit available for appropriation.....</b>	<b>44,374.70</b>	41,514.02
Less : Appropriations.....		
Interim equity dividend.....	-	491.34
Proposed final equity dividend.....	445.09	727.56
Tax on proposed equity dividend.....	91.68	291.08
Adjustment for Fixed Assets where Useful life is nil as per Schedule-II (Net of taxes).....	362.61	-
Transfer to general reserve.....	150.00	2,250.00
Total appropriations.....	<b>1,049.39</b>	3,759.99
<b>Net surplus in the statement of profit and loss.....</b>	<b>43,325.31</b>	37,754.04
<b>Total reserves and surplus.....</b>	<b>89,165.18</b>	83,148.12

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 4. LONG-TERM BORROWINGS

(₹ in lacs)

Particulars	Non-current portion		Current maturities	
	2015	2014	2015	2014
<b>Debentures</b>				
450 (31st March,2014: 750) A Series 12% Redeemable Non -Convertible Debentures of ₹ 1,000,000/- each (secured).....	4,170.00	7,500.00	330.00	-
200 (31st March,2014: 500) B Series 12% Redeemable Non -Convertible Debentures of ₹ 1,000,000/- each (secured).....	2,000.00	5,000.00	-	-
300 (31st March,2014: 300) C Series 12.90% Redeemable Non -Convertible Debentures of ₹ 1,000,000/- each (secured).....	1,875.00	3,000.00	1,125.00	-
<b>Term Loans</b>	-	-	-	-
Indian rupee loan from banks (secured).....	99,794.28	95,622.01	19,055.60	16,208.84
Foreign currency loan from banks (secured).....	32,596.55	38,742.97	1,993.25	1,993.25
<b>Other loans and advances</b>	-	-	-	-
Other Loans (secured) .....	508.27	519.96	207.35	287.26
	<b>140,944.10</b>	150,384.93	<b>22,711.20</b>	18,489.35
<b>The above amount includes</b>				
Secured borrowings .....	140,944.10	150,374.82	22,711.20	18,468.43
Unsecured borrowings .....	-	10.11	-	20.92
Amount disclosed under the head.....				
"other current liabilities" (note 9) .....			(22,711.20)	(18,489.35)
Net amount .....	140,944.10	150,384.93	-	-

### 5. DEFERRED TAX LIABILITIES (NET)

(₹ in lacs)

Particulars	2015	2014
<b>Deferred Tax Liabilities</b>		
Fixed Assets: Impact of differences between tax depreciation and depreciation / amortization charged for the financial reportings .....	15,609.23	14,750.34
<b>Gross deferred tax liability.....</b>	<b>15,609.23</b>	14,750.34
<b>Deferred Tax Assets</b>		
Provision for bonus, gratuity and others .....	188.34	116.19
On account of carry-forward losses as per income-tax .....	7,069.40	6,346.19
<b>Gross deferred tax asset.....</b>	<b>7,257.74</b>	6,462.38
<b>Net deferred tax liability .....</b>	<b>8,351.50</b>	8,287.95

### 6. OTHER LONG-TERM LIABILITIES

(₹ in lacs)

Particulars	2015	2014
Retention money payable.....	297.84	320.96
	<b>297.84</b>	320.96

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 7. PROVISIONS

Particulars	Long-term		Short-term	
	2015	2014	2015	2014
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 39).....	457.16	334.69	36.79	5.37
	<b>457.16</b>	334.69	<b>36.79</b>	5.37
<b>Other Provisions</b>				
Provision for taxation (net of advance) .....			176.64	146.09
Proposed equity dividend .....			445.09	845.09
Provision for tax on proposed equity dividend .....			78.35	87.95
	-	-	700.08	1,079.13
	<b>457.16</b>	334.69	<b>736.87</b>	1,084.50

### 8. SHORT-TERM BORROWINGS

Particulars	2015	2014
Cash Credit facility from banks (secured).....	33,381.68	34,954.42
Interest free loan and advances from others repayable on demand (unsecured).....	4,021.21	4,533.66
	<b>37,402.89</b>	39,488.07
<b>The above amount includes</b>		
Secured borrowings.....	33,381.68	34,954.42
Unsecured borrowings.....	4,021.21	4,533.66

### 9. OTHER CURRENT LIABILITIES

Particulars	2015	2014
Trade payables (including acceptances).....	46,598.70	24,854.73
Advance from Customer .....	1,357.10	341.28
Creditors for capital goods.....	327.64	782.75
<b>Other liabilities</b>		
Current maturities of long-term borrowings (secured) (refer note-4).....	25,455.96	18,489.35
Interest accrued but not due on borrowings	686.92	887.38
Investor Education and Protection Fund will be credited by following amounts (as and when due) .....		
Unpaid dividend .....	24.15	24.56
Other Payable .....	3,017.92	3,398.87
	<b>77,468.38</b>	48,778.92

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 10. TANGIBLE ASSETS

(₹ in lacs)

Particulars	Freehold Land	Leasehold Land	Site & Land Development	Factory Shed & Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Total
<b>Cost or valuation</b>								
At 1 April 2013	5,158.33	350.99	6,651.51	13,914.32	109,814.05	487.54	1,180.61	137,557.33
Additions	316.31	-	14.05	12,641.64	107,356.37	369.90	71.93	120,770.20
Disposals	48.08	-	-	106.46	487.31	0.64	34.04	676.53
Other adjustments	-	-	-	-	-	-	-	-
- Exchange differences	-	-	-	-	6,595.34	-	-	6,595.34
- Borrowing costs	-	-	-	362.17	7,732.62	-	-	8,094.80
<b>At 31 March, 2014</b>	<b>5,426.56</b>	<b>350.99</b>	<b>6,665.56</b>	<b>26,811.67</b>	<b>231,011.07</b>	<b>856.80</b>	<b>1,218.49</b>	<b>272,341.15</b>
Additions	138.42	-	18.07	2,136.83	11,901.98	98.23	326.24	14,619.78
Disposals	21.94	-	-	0.06	2.58	-	116.53	141.11
<b>Other adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Exchange differences	-	-	-	-	2,657.07	-	-	2,657.07
- Borrowing costs	-	-	-	18.04	343.72	-	-	361.76
<b>At 31 March, 2015</b>	<b>5,543.04</b>	<b>350.99</b>	<b>6,683.64</b>	<b>28,966.48</b>	<b>245,911.26</b>	<b>955.03</b>	<b>1,428.21</b>	<b>289,838.65</b>
<b>Depreciation</b>								
At 1 April 2013	-	7.51	-	1,788.95	30,313.76	123.96	355.53	32,589.70
Charge for the year	-	1.26	-	616.94	9,553.45	29.35	112.03	10,313.02
Disposals/Adjustment	-	2.25	-	(100.91)	(248.40)	(0.15)	(14.96)	(362.17)
<b>At 31 March, 2014</b>	<b>-</b>	<b>11.02</b>	<b>-</b>	<b>2,304.98</b>	<b>39,618.81</b>	<b>153.16</b>	<b>452.59</b>	<b>42,540.55</b>
Charge for the year	-	1.15	-	1,701.98	9,431.25	101.61	181.46	11,417.46
Disposals/Adjustment	-	-	-	14.20	429.23	3.23	(65.11)	381.56
<b>At 31 March, 2015</b>	<b>-</b>	<b>12.17</b>	<b>-</b>	<b>4,021.15</b>	<b>49,479.29</b>	<b>258.01</b>	<b>568.94</b>	<b>54,339.57</b>
Net Block								
<b>At 31 March, 2014</b>	<b>5,427</b>	<b>340</b>	<b>6,666</b>	<b>24,507</b>	<b>191,392</b>	<b>704</b>	<b>766</b>	<b>229,801</b>
<b>At 31 March, 2015</b>	<b>5,543</b>	<b>339</b>	<b>6,684</b>	<b>24,945</b>	<b>196,432</b>	<b>697</b>	<b>859</b>	<b>235,499</b>

#### a. Capitalized borrowing costs

The borrowing cost capitalized during the year ended 31st March, 2015 was ₹ 361.76 lacs (31st March, 2014: ₹ 8094.79 lacs). The company capitalized the borrowing cost in the capital work-in-progress (CWIP). The amount of borrowing cost shown as other adjustments in the above note reflects the amount of borrowing cost transferred from Capital Work In Progress.

#### b. Exchange differences on long term foreign currency monetary items

Pursuant to the option granted by Caluse 46A of the AS-11 (as amended vide notification dt.29.12.2011), the Company during the year added ₹ 2657.07 lacs (31st March, 2014 ₹ 6595.34 lacs) to the cost of assets, being the exchange differences of long term foreign currency monetary items relating to acquisition of assets. This is to be depreciated over the balance life of the assets.

#### c. During the year the depreciation of ₹ 2,21,647/- (31st March,2014 : ₹ 2,58,553/-) has been capitalised and transferred to CWIP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 11. INTANGIBLE ASSETS

(₹ in lacs)

Particulars	Computer software	Goodwill	Right to use Land	Iron ore Mines	Know How	Total
<b>Gross Block</b>						
At 1 April 2013	272.79	216.83	2,045.27	3.67	-	2,538.56
Purchase/Internal development	97.40	-	583.37	-	500.00	1,180.78
<b>At 31 March, 2014</b>	<b>370.19</b>	<b>216.83</b>	<b>2,628.64</b>	<b>3.67</b>	<b>500.00</b>	<b>3,719.33</b>
Purchase	-	-	2,210.05	-	-	2,210.05
<b>At 31 March, 2015</b>	<b>370.19</b>	<b>216.83</b>	<b>4,838.69</b>	<b>3.67</b>	<b>500.00</b>	<b>5,929.39</b>
<b>Amortization</b>						
At 1 April 2013	110.61	86.73	308.36	-	-	505.70
Charge for the year	32.26	43.37	112.02	0.73	50.00	238.38
<b>At 31 March, 2014</b>	<b>142.87</b>	<b>130.10</b>	<b>420.38</b>	<b>0.73</b>	<b>50.00</b>	<b>744.08</b>
Charge for the year	39.78	43.37	267.17	1.96	50.00	402.27
<b>At 31 March, 2015</b>	<b>182.65</b>	<b>173.46</b>	<b>687.55</b>	<b>2.69</b>	<b>100.00</b>	<b>1,146.36</b>
Net Block						
<b>At 31 March, 2014</b>	<b>227.32</b>	<b>86.73</b>	<b>2,208.26</b>	<b>2.94</b>	<b>450.00</b>	<b>2,975.25</b>
<b>At 31 March, 2015</b>	<b>187.54</b>	<b>43.37</b>	<b>4,151.15</b>	<b>0.98</b>	<b>400.00</b>	<b>4,783.03</b>

### 12. NON-CURRENT INVESTMENTS

(₹ in lacs)

Particulars	2015	2014
<b>A. Trade</b>		
<b>In Associate Companies</b>		
Equity Shares Unquoted.....	<b>4,018.76</b>	3,251.91
<b>In other Companies</b>		
Equity Shares Unquoted.....	-	-
Preference shares unquoted.....	<b>1,025.59</b>	1,640.24
<b>In Mutual Funds Units</b>		
	<b>7.00</b>	42.00
<b>In Trust</b>		
	<b>22.50</b>	22.50
	<b>6,638.86</b>	4,966.65

### 13. LOANS AND ADVANCES (unsecured, considered good)

(₹ in lacs)

Particulars	Non-current		Current	
	2015	2014	2015	2014
Capital advances.....	<b>1,011.35</b>	7,899.13	-	-
Loans and advances to Body Corporate & Others.....	-	-	<b>1,624.67</b>	512.54
Advances recoverable in cash or in kind.....	-	-	<b>19,215.02</b>	16,911.57
Other loans and advances.....	-	-	-	-
Advance income-tax (net of provision).....	-	-	184.11	209.36
Prepaid expenses.....	-	-	<b>875.21</b>	1,046.08
MAT Credit Entitlement.....	-	-	<b>8,877.35</b>	7,422.99
Balance with statutory/govt. authorities.....	<b>11.67</b>	-	<b>6,301.86</b>	8,521.87
Security deposit with govt. & others.....	<b>1,042.59</b>	1,026.66	<b>19.50</b>	1.41
<b>Total.....</b>	<b>2,065.61</b>	8,925.79	<b>37,097.71</b>	34,625.82

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 14. TRADE RECEIVABLES AND OTHER ASSETS

(₹ in lacs)

<b>14.1 TRADE RECEIVABLES</b>		<b>Current</b>	
<b>Particulars</b>	<b>2015</b>	2014	
<b>Unsecured, considered good unless stated otherwise</b>			
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>			
Considered good.....	1,042.29	1,046.69	
Doubtful.....	65.67	-	
	<b>1,107.97</b>	1,046.69	
Provision for doubtful receivables.....	65.67	-	
<b>Total (A)</b>	<b>1,042.29</b>	1,046.69	
<b>Other receivables</b>			
Considered good.....	14,549.62	9,139.00	
<b>Total (B)</b>	<b>14,549.62</b>	9,139.00	
<b>Total (A+B)</b>	<b>15,591.92</b>	10,185.68	

<b>14.2 OTHER ASSETS</b>	<b>Non-current</b>		<b>Current</b>	
<b>Particulars</b>	<b>2015</b>	2014	<b>2015</b>	2014
Unsecured, considered good unless stated otherwise.....				
Non-current bank balances (note-17).....	1,735.37	2,247.67	-	-
	-	-	-	-
Unamortized expenditure.....	2.38	2.38	-	0.96
Others .....	-	-	-	-
Interest accrued on fixed deposits .....	22.74	41.94	170.08	39.06
others.....	-	-	2.43	4.12
	<b>1,760.49</b>	2,291.99	<b>172.51</b>	44.15

### 15. CURRENT INVESTMENTS

(₹ in lacs)

<b>Particulars</b>	<b>2015</b>	2014
Non Trade.....		
In other Companies .....		
Equity Shares Quoted.....	21.26	45.90
In Mutual Funds Units.....	40.73	65.56
	<b>61.99</b>	111.46

### 16. INVENTORIES (valued at lower of cost and net realizable value)

(₹ in lacs)

<b>Particulars</b>	<b>2015</b>	2014
Raw Materials and components .....	17,677.51	22,240.98
Work-in-progress .....	321.26	784.04
Finished goods & by-products .....	14,270.74	8,350.45
Stock in transit.....	21.69	13.50
Traded goods.....	69.27	168.61
Stores & spares .....	9,561.71	8,665.12
	<b>41,922.20</b>	40,222.70



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 17. CASH AND BANK BALANCES

Particulars	(₹ in lacs)			
	Non-current		Current	
	2015	2014	2015	2014
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts .....			1,079.48	976.92
Deposits with original maturity of less than three months .....			1,757.78	1,463.66
Unpaid dividend account .....			-	-
Unpaid public issue refund account.....			24.15	30.47
Cash on hand .....			34.73	36.21
Stamp in hand .....			1.23	1.23
			<b>2,897.36</b>	<b>2,508.48</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months .....	1,735.37	2,247.67	-	-
Deposits with original maturity for more than 3 months but less than 12 months.....			7,628.49	822.42
Margin money deposit.....			-	156.42
	<b>1,735.37</b>	<b>2,247.67</b>	<b>7,628.49</b>	<b>978.84</b>
Amount disclosed under non-current assets (note 14.2) .....	<b>1,735.37</b>	<b>2,247.67</b>		
	<b>-</b>	<b>-</b>	<b>10,525.85</b>	<b>3,487.31</b>

### 18. REVENUE FROM OPERATIONS

Particulars	(₹ in lacs)	
	2015	2014
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Manufacturing Goods and By-Products.....	247,445.76	223,172.90
Electricity.....	13,244.57	7,866.27
Traded Goods.....	4,951.33	995.30
Sale of services.....	33.72	1,978.19
<b>Other operating revenue</b>		
Scrap sales .....	224.55	28.38
Export Licence Sale .....	-	18.61
Renewable Energy Certificates (REC).....	637.89	927.24
<b>Revenue from operations (gross) .....</b>	<b>266,537.82</b>	<b>234,986.89</b>
Less: Excise duty#.....	27,039.84	23,181.52
<b>Revenue from operations (net).....</b>	<b>239,497.98</b>	<b>211,805.37</b>

# Excise duty on sales amounting to ₹ 2703983914/- (31st March, 2014: ₹ 2318152215/-) has been reduced from sale in profit & loss account and excise duty on increase/decrease in stock amounting to (₹ 48540011/-) (31st March, 2014: (₹ 14644645/-)) has been considered as (income)/expense in note 23 of financial statements.

### 19. OTHER INCOME

Particulars	(₹ in lacs)	
	2015	2014
<b>Interest Income on</b>		
Bank Deposits.....	532.51	404.57
Others .....	897.80	826.57
Net gain on sale of investments .....	4,018.70	-
Net gain on sale of fixed assets .....	92.82	30.78
Other non-operating income (net of expenses directly attributable to such income) .....	480.08	292.82
	<b>6,021.90</b>	<b>1,554.73</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 20. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

Particulars	(₹ in lacs)	
	2015	2014
Inventory at the beginning of the year .....	22,240.98	19,197.33
Add: purchases .....	142,737.24	126,429.73
	<b>164,978.22</b>	145,627.06
Less : Inventory at the end of the year .....	17,677.51	22,240.98
Cost of raw material and components consumed.....	<b>147,300.71</b>	123,386.08

### 21. (INCREASE)/DECREASE IN INVENTORIES

Particulars	(₹ in lacs)		
	2015	2014	(Increase)/ Decrease
<b>Inventories at the end of the year</b>			<b>2015</b>
Finished goods and by-products.....	14,270.74	8,350.45	(5,920.29)
Work-in-progress .....	321.26	784.04	462.78
Traded goods.....	69.27	168.61	99.34
	<b>14,661.28</b>	9,303.11	<b>(5,358.18)</b>
<b>Inventories at the beginning of the year</b>			<b>2014</b>
Finished goods and by-products.....	8,350.45	7,523.54	(826.91)
Work-in-progress .....	784.04	301.83	(482.21)
Traded goods.....	168.61	118.41	(50.20)
	<b>9,303.11</b>	7,943.78	(1,359.33)
Net (increase)/decrease in inventories .....	<b>(5,358.18)</b>	(1,359.33)	

### 22. EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ in lacs)	
	2015	2014
Salaries, wages and bonus .....	7,930.32	7,025.07
Contribution to provident and other fund .....	466.03	402.86
Gratuity Expense (refer note 38).....	185.51	127.46
Workmen and staff welfare expenses.....	537.38	430.73
	<b>9,119.24</b>	7,986.13

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 23. OTHER EXPENSES

Particulars	(₹ in lacs)	
	2015	2014
Consumption of stores and spares .....	10,216.99	7,832.91
(Increase)/decrease of excise duty on inventory.....	485.40	(146.45)
Grid Parallel operation charges.....	220.89	188.60
Power & Fuel .....	19,572.16	19,490.42
Water Charges.....	507.07	415.40
Other manufacturing expenses .....	5,185.49	4,805.93
CDM Expenses.....	47.13	21.53
Rent.....	126.43	88.70
Rates and taxes	-	-
- Entry tax.....	263.58	200.02
- Excise duty.....	208.07	280.25
- Electricity duty cess.....	9.01	9.89
- Others .....	156.47	119.27
Insurance .....	124.68	58.56
Repairs and maintenance	-	-
- Plant and machinery .....	1,567.47	1,627.51
- Buildings.....	860.07	739.76
- Others .....	332.26	376.15
Rebate, shortage claims & other deductions.....	1,062.16	491.10
Commission	-	-
- Other than Sole selling agents .....	436.02	382.64
Bad debts written off.....	-	135.15
Travelling and conveyance.....	804.60	627.10
Communication expenses .....	190.04	182.12
Printing and stationery .....	36.84	80.49
Legal and professional fees .....	439.83	476.19
Directors' sitting fees .....	16.68	5.13
Directors' remuneration .....	317.87	418.21
Payment to Auditors .....	28.36	26.71
Frieght and forwarding charges .....	1,569.03	4,194.03
Security service charges.....	417.64	351.42
Loss on sale of fixed assets (net).....	-	26.82
Foreign Exchange fluctuation (net).....	193.28	456.50
Provision for Doubtful Debts .....	65.67	-
Premium on forward exchange contract.....	104.35	158.16
Share of Loss of LLP .....	0.02	0.12
Renewal Purchase Obligation (RPO).....	134.00	184.48
Corporate Social Responsibility.....	459.71	379.52
Miscellaneous expenses .....	1,572.66	1,395.91
	<b>47,731.94</b>	<b>46,080.28</b>

### 24. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	(₹ in lacs)	
	2015	2014
Depreciation on tangible assets.....	11,412.80	10,310.43
Amortization of intangible assets .....	404.71	238.38
	<b>11,817.51</b>	<b>10,548.81</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 25. FINANCE COSTS

Particulars	(₹ in lacs)	
	2015	2014
Interest .....		
- on debentures .....	1,612.67	2,514.64
- on term loans .....	11,614.67	7,197.89
- on working capital.....	3,891.23	2,957.05
- on others.....	501.80	601.98
Exchange difference due to the extent considered as an adjustment to borrowing cost .....	516.51	862.05
Bank charges .....	4,228.33	2,367.56
	<b>22,365.22</b>	16,501.16

### 26. EARNINGS PER SHARE (EPS)

Particulars	(₹ in lacs)	
	2015	2014
Net profit as per statement of profit and loss .....	6,620.66	5,783.88
Net profit for calculation of basic EPS & Diluted EPS .....	6,620.66	5,783.88
Weighted average number of equity shares in calculating Basic EPS .....	327.56	327.56
Weighted average number of equity shares in calculating Diluted EPS .....	327.56	327.56
Basic & Diluted EPS .....		
- Basic earning per share .....	20.21	17.66
- Diluted earning per share.....	20.21	17.66

27. The subsidiary companies considered in the consolidated financial statements are:

Name of the Subsidiary	Country of incorporation	Proportion of ownership interest	
		2015	2014
Hira Ferro Alloys Limited .....	India	51.26%	51.26%
Godawari Energy Limited.....	India	51.30%	51.30%
Godawari Green Energy Limited.....	India	100.00%	100.00%
Godawari Clinkers & Cement Limited.....	India	100.00%	100.00%
Krishna Global & Minerals Limited.....	India	100.00%	100.00%
Godawari Integrated Steel (India) Limited.....	India	100.00%	100.00%
Ardent Steel Limited .....	India	75.00%	75.00%

28. The significant associates company considered in the consolidated financial statements is:

Name of the Associate	Country of incorporation	Proportion of ownership interest	
		2015	2014
Jagdamba Power & Alloys Limited.....	India	26.00%	26.00%
Chhattisgarh Ispat Bhumi Limited.....	India	35.36%	0.00%

### 29. JOINT VENTURE OPERATIONS

The group has, in accordance with AS-27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI, accounted for its interest in the Joint Ventures by the proportionate consolidation method. Thus, the Group's income statement, balance sheet and the cash flow statement incorporate the Group's share of income, expenses, assets, liabilities and cash flows of the joint venture on a line by line basis.

Name of the Joint Venture	Country of incorporation	Proportion of ownership interest	
		2015	2014
Raipur Infrastructure Company Ltd.....	India	33.33%	33.33%
Chhattisgarh Captive Coal Mining Ltd.....	India	25.93%	25.93%
Godawari Natural Resources Ltd. ....	India	33.88%	0.00%

The aggregate amount of assets, liabilities, income and expenses related to the Group's share in the Joint Venture included in these financial statements for the year ended 31st March, 2015 are given below:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

	(₹ in lacs)	
	2015	2014
<b>Particulars of Balance Sheet items</b>		
Non current assets .....	<b>882.16</b>	1006.38
Current Assets .....	<b>278.14</b>	246.66
Non-current Liabilities .....	<b>0.00</b>	6.52
Current Liabilities .....	<b>7.70</b>	37.91
<b>Particulars of Statement of Profit &amp; Loss items</b>		
Income from operation .....	<b>189.10</b>	184.76
<b>Particulars of Cash Flow Statement items</b>		
Profit/(Loss) for the year .....	<b>52.34</b>	45.79
Changes in working capital.....	<b>(61.69)</b>	(24.83)
Changes in investing activities.....	<b>124.22</b>	(27.15)
Changes in financing activities .....	<b>(6.52)</b>	6.19

- 30.** The subsidiaries companies are using the method of valuation of inventories on FIFO and weighted average basis whereas the parent company is using moving weighted average basis. As the difference is not significant, therefore, the same has not been considered.
- 31.** The associate companies are using WDV Method for providing depreciation on its fixed assets whereas the consolidated financial statements has been prepared by using SLM Method. As the details of difference between WDV and SLM Method has not been ascertained, therefore, the effect of the same could not be identified.
- 32.** Contingent Liabilities and Capital Commitments are not provided for in respect of :-
- Counter Guarantees given to banks against Bank guarantees issued by the Company Banker aggregate to ₹ 1617 lacs (Previous Year ₹ 1605 lacs.)
  - Disputed liability of ₹ 429.62 lacs (Previous Year ₹ 278.24 lacs) on account of Service Tax, Central Excise Duty ₹ 505.32 lacs (Previous Year ₹ 562.08 lacs), Custom Duty ₹ 86.53 lacs (Previous Year ₹ 10.00 lacs), Sales Tax ₹ 777.60 lacs (Previous Year ₹ 711.46 lacs) and Income tax ₹ 394.20 lacs (previous year ₹ 76.62) against which appeals have been preferred before higher authorities.
  - Disputed energy development cess demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh ₹ 4133.08 lacs (Previous Year ₹ 3655.22 lacs). The Hon'ble High Court of Chhattisgarh has held the levy of cess as unconstitutional vide its order dated 20th June,2008. The State Govt. has filed a Special Leave Petition before Hon'ble Supreme Court, which is pending for final disposal.
  - Disputed demand of ₹ 758 lacs (Previous Year ₹ 758) from Chhattisgarh State Power Distribution Company Limited relating to cross subsidy on power sold under open access during the financial year 2009-10. The company has contested the demand and obtained stay from CSERC and expect a favourable decision in favour of parent company.
  - Corporate Guarantees issued in favour of bank aggregating to ₹ Nil (Previous Year ₹ 4647 lacs) in respect of financing facilities granted to other body corporate.
  - Estimated amount of contracts remaining to be executed on capital accounts ₹ 3361 lacs (Previous Year ₹ 4977).
- 33.** The company has charged depreciation on remaining life of the fixed assets based on the remaining life of the fixed assets based on Schedule-II of the Companies Act,2013 which have made effective from 01.04.2014. Consequently the depreciation for the year is lower by ₹ 27.95 crores. Further ₹ 3.49 crores (net of taxes) has been debited to retained earnings related to those assets whose remaining life were nil as on 01.04.2014 as per the transitional provision of Schedule-II.
- 34.** The mining department has levied royalty on Iron Ore mining on the basis of rates applicable for the highest grades of Iron Ore. The Company has, however provided royalty on the basis of rates applicable to different grades of Iron Ore produced and dispatched. Pursuant to a writ petition filed by the company, the honorable high court of Chhattisgarh has upheld the company's contention of charging royalty and directed mining department to make fresh assessment of royalty payable. However the mining department has filed review appeal before the double bench of honorable high court of Chhattisgarh against the order. After assessment by mining department, cumulative amount of excess royalty of ₹ 44.05 Crores as on 31.03.15 (₹ 42.04 Crores as on 31.03.14) is shown as advance royalty and carried to Balance Sheet.
- 35.** The parent company was allotted three Coal Blocks i.e. Naxia, Madanpur (North) & Madanpur (South) in the State of Chhattisgarh in consortium with other companies through JV Company, namely Chhattisgarh Captive Coal Mining Ltd. However, the said Coal Blocks could not start operations in view of pendency of certain administrative approvals and these Coal Blocks were de-allocated by the Ministry of Coal, which was, however, stayed by the Hon'ble High Court of Delhi and the matter has been sub-judice. The allocation of said Coal Blocks stands cancelled by virtue of the Order dated September 24, 2014 passed by the Hon'ble Supreme Court. The Company has invested ₹ 6.31 crores in the equity capital of JV Company which has been utilised by JV Company for development of said coal blocks. No provision for impairment in value of Investments in JV Company has been made in view of likely realization of amount invested upon reimbursement of cost incurred by

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

the Company from the future allocates of the said coal blocks. The JV Company is also in process of realization of current assets held by it and the amount is expected to be refunded to the shareholders in due course. Accordingly the provision for impairment in value of investment, if any, shall be made as and when the amount of actual loss is determined.

### 36. Derivative Instruments and Un hedged Foreign Currency Exposure

Foreign currency exposure that are not hedged by derivative instruments or Forward Contracts as at 31st March,2015 amount to ₹ 51578.66 lacs (Previous Year ₹ 44651.46 lacs)

### 37. Information on Related Party as required by Accounting Standard-18, "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, are given below :

#### i) Related Parties

##### a) Other Related Enterprises where control exist

- Hira Cement Limited
- Raipur Complex
- Active Chemicals Pvt. Limited
- Hira Foundation
- Vrindavan Realcon LLP
- Vinay Green Energy LLP
- Kumar Eco Power LLP
- Dinesh Realcon LLP

##### c) Key Management Personnel

- Shri B. L. Agrawal
- Shri N. P. Agrawal
- Shri Dinesh Agrawal
- Shri Siddarth Agrawal
- Shri Abhishek Agrawal
- Shri Sanjay Gupta
- Shri Dinesh Gandhi

##### b) Associate

- Jagdamba Power & Alloys Ltd.
- Chhattisgarh Ispat Bhumi Limited

#### ii) Material Transactions with Related Parties in the ordinary course of business (₹ in lacs)

		2015	2014	
a) Associate	Equipment Hiring Charges .....	475.19	14.79	
	Sale of Materials .....	0.02	0.16	
	Purchase of fixed assets .....	81.02	0.00	
	Other charges received .....	0.99	1.38	
	Investment made .....	384.90	260.00	
	<b>Outstandings</b>			
	Receivables .....	14.72	14.72	
	Payables.....	93.60	0.00	
	b) Other Related Enterprises	Purchase of Materials.....	644.06	542.44
		Sale of Materials/Service Charges.....	226.94	194.02
Purchase of Capital goods.....		0.00	2.01	
Rent Paid .....		17.20	4.51	
Interest Paid.....		1.40	0.00	
Loan Taken .....		15.85	0.00	
Advances given.....		0.00	175.00	
Advances given received back.....		0.00	62.32	
<b>Outstandings</b> .....				
Receivables .....		0.00	130.34	
Payables.....	17.11	21.83		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

		2015	2014
<b>c) Key Management</b>	Remuneration Paid.....	373.08	378.71
	Commission Paid .....	24.00	70.00
	Rent Paid .....	0.00	0.00
	Interest Paid.....	0.00	26.88
	Loan received.....	232.00	897.00
	Repayment of Loans .....	220.00	897.45
	<b>Outstandings</b>		
	Payables.....	12.00	0.45

### 38. SEGMENT-WISE REVENUE RESULTS :

#### Basis of preparation :

- Business segments of the company have been identified as distinguishable components that are engaged in a group of related product and that are subject to risks and returns different from other business segments. Accordingly Steel and Electricity have been identified as the business segments.
- The geographic segments identified as secondary segments are "Domestic Market" and "Export Market". Since there is no Export Market Revenue, the same has not been disclosed. The entire capital employed is within India.

#### Information about business Segments-Primary

Particulars	External Sales		Inter Segment Sales		Eliminations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	(₹ in lacs)							
<b>A) REVENUE</b>								
Steel Segment.....	225613.53	202690.07	0.00	0.00	0.00	0.00	225613.53	202690.07
Electricity Segment.....	13884.45	8793.96	22772.57	21722.29	(22772.57)	(21400.96)	13884.45	9115.29
<b>Total Segment Revenue.....</b>	<b>239497.98</b>	<b>211484.04</b>	<b>22772.57</b>	<b>21722.29</b>	<b>(22772.57)</b>	<b>(21400.96)</b>	<b>239497.98</b>	<b>211805.37</b>

<b>B) RESULTS</b>		2015	2014
(₹ in lacs)			
Segment Operational Profit			
Steel Segment.....		14793.71	21052.04
Electricity Segment.....		14738.84	9516.97
<b>Total Segment Results .....</b>		<b>29532.55</b>	<b>30569.00</b>
Un-allocated expenditure net off unallocated income.....		492.59	(4838.47)
<b>Operating Profit.....</b>		<b>30025.14</b>	<b>25730.53</b>
Interest Expenses .....		(0.22)	(0.17)
Total Tax Expenses.....		(0.01)	(0.02)
<b>Net Profit .....</b>		<b>30024.91</b>	<b>25730.34</b>

<b>C) OTHER INFORMATION</b>		2015	2014
(₹ in lacs)			
NET CAPITAL EMPLOYED .....			
Steel Segment.....		64705.30	60345.69
Electricity Segment.....		46809.11	44047.40
<b>Total .....</b>		<b>111514.41</b>	<b>104393.09</b>
Un-allocable Capital employed.....		(1424.95)	(1704.20)
<b>Total Capital Employed.....</b>		<b>110089.47</b>	<b>102688.89</b>
Depreciation .....			
Steel Segment.....		(3564.12)	6984.57
Electricity Segment.....		3564.24	3564.24
<b>Total .....</b>		<b>0.12</b>	<b>10548.81</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 39. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS :

The Company has a defined gratuity benefit plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has not been externally funded. Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per the Projected unit credit method.

The following tables summarise the components of net benefit expense recognized in the statement of profit and loss and the unfunded status and amounts recognized in the balance sheet for the Gratuity.

#### Statement of Profit and Loss

Net employee benefit expense (recognized in Employee Cost)		(₹ in lacs)	
Particulars	(Gratuity)		
	2015	2014	
Current Service cost .....	85.33	63.07	
Interest cost on benefit obligation .....	33.44	26.24	
Expected return on plan assets .....	0.00	0.00	
Net actuarial loss recognised in the year .....	66.74	38.16	
Past service cost .....	0.00	0.00	
Actual return on plan assets .....	185.51	127.46	

#### Balance Sheet

Details of provision for Gratuity		(₹ in lacs)	
Particulars	2015		
	2015	2014	
Defined benefit obligation .....	493.95	340.05	
Fair value of plan assets .....	0.00	0.00	
	493.95	340.05	
Less : Unrecognised past service cost .....	0.00	0.00	
Plan liability .....	493.95	340.05	

Changes in the present value of the defined benefit obligation are as follows :

Changes in the present value of the defined benefit obligation are as follows :		(₹ in lacs)	
Particulars	2015		
	2015	2014	
Defined benefit obligation as at April 1, 2014 .....	340.05	243.84	
Interest cost .....	33.44	29.11	
Current Service Cost .....	85.33	60.78	
Benefits paid .....	(31.61)	(31.83)	
Actuarial losses on obligation .....	66.74	38.16	
Defined benefit obligation as at March 31, 2015 .....	493.95	340.05	

Since the entire amount of plan obligation is unfunded therefore changes in the fair value of plan assets are not given. Further the entire amount of plan obligation is unfunded therefore categories of plan assets as a percentage of the fair value of total plan assets and Company's expected contribution to the plan assets in the next year is not given.

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below :

Particulars	2015	
	2015	2014
Discount Rate .....	8.25%	8.00%
Increase in Compensation cost .....	5.00%	5.00%
Expected average remaining working lives of employee (years) .....	23.55	24.31

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### Contribution to Defined Contribution Plans:

Particulars	2015	2014
Provident Fund.....	389.74	293.86

(₹ in lacs)

40. Previous year figures have been regrouped or rearranged wherever necessary.

As per our report of even date  
For **OPSinghania & CO.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

per **Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 16.05.2015

For and on behalf of the Board of Directors of  
**Godawari Power & Ispat Limited**

**B. L. Agrawal**  
Managing Director

**Abhishek Agrawal**  
Whole Time Director

**Y. C. Rao**  
Company Secretary

**Sanjay Bothra**  
CFO

**ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES / JOINT VENTURES.**

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ In Lakh)	As % of consolidated profit or loss	Amount (₹ In Lakh)
<b>Parent</b>				
Godawari Power & Ispat Limited	51.14	55819.78	86.71	6132.93
<b>Subsidiaries</b>				
<b>Indian</b>				
Hira Ferro Alloys Limited	12.87	14053.23	17.62	1246.43
Ardent Steel Limited	9.22	10068.17	-9.10	-643.89
Godawari Green Energy Limited	22.01	24027.45	4.31	304.69
Godawari Energy Limited	3.68	4019.71	-0.02	-1.57
Godawari Clinker & Cement Limited	0.00	4.05	0.00	0.18
Krishna Global & Minerals Limited	0.00	3.11	0.00	-0.12
Godawari Integrated Steel (India) Limited	0.00	4.20	0.00	-0.13
<b>Joint Venture (as per proportionate consolidation)</b>				
<b>Indian</b>				
Raipur Infrastructure Company Ltd.	0.48	519.55	0.48	34.15
Chattisharh Captive Coal Mining Limited	0.58	631.38	0.00	0.00
Godawari Natural Resources Ltd.	0.00	1.86	0.00	0.04
<b>Minority Interest in all subsidiaries</b>	15.31	16711.69	6.31	446.54
<b>Associates (Investment as per equity method)</b>				
<b>Indian</b>				
Jagdamba Power & Alloys Limited	2.97	3240.97	-0.15	-10.95
Chhattisgarh Ispat Bhumi Limited	0.71	777.79	0.08	5.44

As per our report of even date  
For **OPSinghania & CO.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

per **Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 16.05.2015

For and on behalf of the Board of Directors of  
**Godawari Power & Ispat Limited**

**B. L. Agrawal**  
Managing Director

**Abhishek Agrawal**  
Whole Time Director

**Y. C. Rao**  
Company Secretary

**Sanjay Bothra**  
CFO

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/ JOINT VENTURES

### PART "A" SUBSIDIARIES

(Pursuant to first proviso to sub-section (3) of section 129 of the companies Act, 2013, read with Rule 5 of the Companies (Account) Rules, 2014-Form AOC- 1 }

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover (Net)	Other Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	Hira Ferro Alloys Limited	INR	1958.85	12194.03	24024.20	9871.32	2275.51	17462.16	4081.47	1500.89	334.22	1166.67	117.53	51.26%
2	Ardent Steel Limited	INR	1000.00	9070.47	31357.97	21287.50	21.99	19284.67	182.51	(1164.41)	(520.52)	(643.89)	NIL	75.00%
3	Godawari Green Energy Limited	INR	11974.70	12052.75	83888.01	59860.56	NIL	10520.18	232.45	380.90	76.21	304.69	NIL	100.00%
4	Godawari Energy Limited	INR	2300.00	556.72	8038.94	5182.22	NIL	NIL	14.56	(1.57)	NIL	(1.57)	NIL	51.30%
5	Godawari Clinkers and Cement Limited	INR	5.00	(0.95)	5.17	1.12	NIL	NIL	0.33	0.18	NIL	0.18	NIL	100.00%
6	Krishna Global Minerals Limited	INR	5.00	(1.88)	3.24	0.12	NIL	NIL	NIL	(0.12)	NIL	(0.12)	NIL	100.00%
7	Godawari Integrated Steels (India) Limited	INR	5.00	(0.80)	15.32	11.12	NIL	NIL	NIL	(0.13)	NIL	(0.13)	NIL	100.00%

### Names of Subsidiaries which are yet to commence operations -

Sl. No.	Name of Companies
1	Godawari Energy Limited
2	Godawari Clinkers and Cement Limited
3	Krishna Global Minerals Limited
4	Godawari Integrated Steels (India) Limited

**PART "B" ASSOCIATES AND JOINT VENTURES**
**STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES**

Sl. No.	Name of Associate and Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end (Refer Note- B)			Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in lacs)	Profit/Loss for the year		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated
			No.	Amount of Investment in Associates/ Joint Venture (₹ in lacs)	Extend of Holding %		Considered in Consolidation (₹ in lacs)	Not Considered in Consolidation		
Associates										
1	Jagdamba Power and Alloys Limited	31.03.2014	2605000	260.50	26.06%	3240.97	(10.95)	---	Note- A	---
2	Chhattisgarh Ispat Bhumi Limited	31.03.2014	2810000	476.70	35.36%	777.79	5.44	---	Note- A	---
Joint Ventures										
1	Raipur Infrastructure Company Limited	31.03.2015	130700	210.70	33.00%	519.55	34.15	---	Note- A	---
2	Chhattisgarh Captive Coal Mining Limited	31.03.2014	457098	631.38	25.93%	631.38	-	---	Note- A	---
3	Godawari Natural Resources Limited	31.03.2015	16940	1.69	33.88%	1.86	0.04	---	Note- A	---

Note:

- A. There is significant influence due to percentage(%) of Share Capital.
- B. Shares of Associate/Joint Ventures held by the company is shown as per the audited financial statements of Godawari Power and Ispat Ltd. as on 31.03.2015.

As per our report of even date  
For **OPSinghania & CO.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 16.05.2015

For and on behalf of the Board of Directors of  
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**B. L. Agrawal**  
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CFO





## **GODAWARI POWER & ISPAT**

An ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 certified company

## **GODAWARI POWER AND ISPAT LIMITED**

CIN: L27106CT1999PLCO13756

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