

FAMILIARISATION PROGRAM FOR DIRECTORS ABOUT THE COMPANY

1. Object

This programme has been designed to familiarize the Directors of Electrosteel Castings Limited (ECL) about their roles, rights, responsibilities in ECL, business model of ECL etc.

2. About Company:

Vision

We aim to become world-class, committed to customer satisfaction and to encourage the spirit of leadership amongst our dedicated team by creating a healthy environment for continuous growth and profit.

Mission

a. We are in the business of manufacturing pipes for conveying safe drinking water and other fluids for domestic and overseas market. We will maintain our dominant position in the domestic pipe market and enhance our presence in the overseas market by setting up multi-location units as per business potential. For sustained growth we intend to venture into related businesses in the areas of:

- Suitable horizontal and vertical integration projects.
- Turnkey projects.
- Engineering and consultancy
- Build-own-operate-transfer projects and diversify into new area of business including infrastructure related projects.

b. We will achieve the above through:

- Continuous technological up-gradation & absorption of new technology.
- Effective team based working.
- Continuous training & human resources development
- Developing ancillary units.
- Cost competitiveness.

For more than 5 decades Electrosteel has made a name for itself in manufacturing Steel Spun pipes which are used for Civilian Water works across the country. Electrosteel was born in as 'Dalmia Iron and Steel Ltd.' in 1955, at Khardah near Kolkata, which later on became Electrosteel Castings Ltd. In 1959, the cast iron spun pipe plant started at Khardah. In 1982, Electrosteel acquired Shakti Pipes at Elavur near Chennai to augment Cast Iron spun pipe production capacity. As part of backward integration, the Company

set up Coke Oven and Sponge Iron Plants in Haldia, West Bengal. The Company has also been allocated two coal mines and an iron ore mine in Jharkhand to provide raw material support to its manufacturing plants

An industry pioneer in India, Electrosteel Castings Limited has never faltered to retain an achiever's edge over competitors in the sphere of water infrastructure and its management after having set up the first manufacturing facility at Khardah, near Kolkata. Owing to the high reliability and durability of its products, the Company has always remained the distinct choice for water engineers and domain experts in Ductile Iron Pipes and Fittings.

Electrosteel has to its distinction, **many pioneering "firsts"**.

- ❖ It was the first to set up a Ductile Iron Pipe Plant in India.
- ❖ It was the first to manufacture Grinding Media in India.
- ❖ It was the first to introduce Hi-Chrome technology to India for Cement Plant Ball Mill Internals.
- ❖ It has been a pioneer in the manufacture of Alloy Steel Castings in India

Major Accreditations

- ✓ Accredited with ISO 9002 from BSI and Indian Register Quality System an Accredited body of Raad Voor de Certificate of Netherlands for our ductile Iron pipes.
- ✓ The Company obtained Kitemark license from British Standard Institute (BSI) for its DI pipes as per ISO 2531, BS EN 545, BS EN 598.
- ✓ Accredited with Certificate of Registration - SA 8000:2008 by BSI India.

Major Group and Associate Companies

- ✓ Electrosteel Steels Limited (ESL) is setting up a 2.2 Million Ton Per Annum (MTPA) green field ultra-modern Integrated Steel Plant at Bokaro (Jharkhand) with the capability to produce 1.2 MTPA of long products, 0.27 MTPA of commercial billet, 0.4 MTPA of pig iron & 0.33 MTPA Ductile Iron Pipe. The plant has Coke Oven, Sinter Plant, Pellet Plant, Blast Furnace, Basic Oxygen Furnace, Billet Caster, Wire Rod Mill and Bar Mill.
- ✓ Srikalahasthi Pipes Limited (SPL) (Formerly, Lanco Industries Limited) was incorporated on 1st November, 1991 by Lanco Group of Companies to manufacture Pig Iron and Cement. The unit is located at Rachagunneri Village on Tirupathi - Srikalahasthi road and is about 30 kms from Tirupathi and 10 kms from Srikalahasthi. In December 2002, SPL entered into a strategic alliance partnership with Electrosteel Castings Limited. Since then SPL has been an associate company of the Electrosteel Group.

- ✓ As on date, your Company has the following Subsidiaries, Associate Companies and Joint Ventures.

S.No.	Name of the Company	Status
1	Electrosteel Algeria SPA	Subsidiary
2	Electrosteel Castings (UK) Limited	Subsidiary
3	Electrosteel Castings Gulf FZE	Subsidiary
4	Electrosteel Doha for Trading LLC	Subsidiary
5	Electrosteel Europe S.A.	Subsidiary
6	Electrosteel Trading S.A, Spain	Subsidiary
7	Electrosteel USA, LLC	Subsidiary
8	Electrosteel Brasil Ltda. Tubos e Conexoes Duteis	Subsidiary
9	Mahadev Vyapaar Private Limited	Subsidiary
10	WaterFab LLC	Step down subsidiary (subsidiary of Electrosteel USA, LLC)
11	Singardo International Pte Limited	Associate Company
12	Electrosteel Steels Limited	Associate Company
13	Electrosteel Thermal Power Limited	Associate Company
14	Lanco Industries Limited	Associate Company
15	Domco Private Limited	Joint Venture
16	North Dhadhu Mining Company Private Limited	Joint Venture

- ✓ The Company has plants at the following locations:

Unit 1	30, B.T. Road; Sukchar, Khardah, 24-Parganas (North) West Bengal-743 179
Unit 2	Gummodipoondi Taluk; P.O. Elavur, District. Chengal, MGR; Tamil Nadu-601 211
Unit 3	Haldia; Kasberia P.O.Khanjan Chawk, Haldia, Midnapore (East), West Bengal-721635
Unit 4	Parbatpur Coal Mine; P.O. Batbinor, District- Bokaro, Jharkhand-827013
Unit 5	Bansberia works; Saptagram Panchayat, P.O. Adconnagar, Chak Bansberia, West Bengal -712121

3. Board and its Committees

The Board of Directors of the Company consists of the following eminent personalities & professionals.

Chairman	Mr. Pradip Kumar Khaitan
Managing Director	Mr. Umang Kejriwal
Joint Managing Director	Mr. Mayank Kejriwal
Whole time Directors	Mr. Uddhav Kejriwal Mr. Vyas Mitre Ralli Mr. Mahendra Kumar Jalan
Directors	Mr. Binod Khaitan Mr. Naresh Chandra Dr. Jamshed Jiji Irani Mr. Bhaskara Nageswararao Mandavilli Mr. Shermadevi Yegnaswami Rajagopalan Mr. Rama Shankar Singh

The Board has established certain Committees to assist in the execution of its responsibilities, and has delegated some of its responsibilities to the Committees. The Committees assist the Board by focusing on their specific activities, fulfilling their roles and responsibilities, reporting to the Board on decisions and actions taken, and making any necessary recommendations.

The Committees of the Board, their roles and membership are as follows:

i. **Audit Committee**

Pursuant to Section 292A of the Companies Act, 1956, the Audit Committee was constituted on January 30, 2001. The Committee is entrusted with the powers and role specifically laid out to comply with the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges in India and the spirit of Corporate Governance.

Terms of reference

The Audit Committee reviews the adequacy of internal controls, reliability of financial statements, the Company's financial reporting process, accounting and financial policies and practices, monitors the risk management, reviews policies adopted by the Company and ensures compliance with regulatory guidelines, reviews reports furnished by the internal and statutory auditors and ensures that suitable corrective and follow-up actions are taken. The terms of reference of the Audit Committee are in line with requirements of Clause 49 of the Listing Agreement, as well as the Companies Act, 2013. The Audit Committee also reviews such matters as considered appropriate by it or referred to it by the Board.

ii. Nomination & Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has constituted Nomination & Remuneration Committee on 11th April, 2014.

Terms of reference

The role of Nomination and Remuneration Committee is to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, KMP and other employees, devise policy on Board diversity, identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board their appointment and removal.

iii. Stakeholders Relationship Committee

In compliance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has constituted Stakeholders Relationship Committee on 10th May, 2013 and renamed on 10th May, 2014.

Terms of reference

The role of Stakeholders Relationship Committee is to consider and resolve the grievances of shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year.

iv. Corporate Social Responsibility Committee

In compliance with Section 135 of the Companies Act, 2013, the Board has constituted Corporate Social Responsibility Committee on 10th May, 2014.

Terms of reference

The Corporate Social Responsibility Committee undertake the activities as mentioned in schedule VII of the Companies Act, 2013. The Company regards social, economic and environmental responsibilities as integral parts of the business. As part of its policy for corporate social responsibility, the Company undertakes a range of activities to improve living conditions of people in the neighborhood of all its plants.

Few examples are:

- Development, repair, renovation and extension of classrooms of local institutions.
- Rewarding good and bright students from local areas.
- Financial assistance to local organizations to pursue sports.
- Health care of local inhabitants through support provided to primary care hospitals set up by the company and financial assistance for medical treatment.
- Organize sports activities involving local schools and clubs at district level with an aim to promote sports activities in the area.
- Giving opportunities to local unemployed youth to develop entrepreneurship by allowing local supply, through small contracts.
- Organizing Cultural Programs involving local residents.

v. Banking and Authorization Committee

The Banking and Authorization Committee was constituted on 11th May, 2009 by the Board of Directors of the Company. The Committee was formed to discharge day to day functions of the Company for which the Board meeting cannot be conducted. The Committee looks after various business operations as delegated to it by the Board from time to time.

vi. Internal Complaints Committee

The Internal Complaints Committee was constituted on 1st February, 2014. The same has been formed in terms of the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Bill, 2012. This committee was formulated to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto

4. Guidelines of professional conduct:

Being a Director of the Company, you shall:

- ❖ uphold ethical standards of integrity and probity;
- ❖ act objectively and constructively while exercising his duties;
- ❖ exercise his responsibilities in a bona fide manner in the interest of the company;
- ❖ devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- ❖ not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- ❖ not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- ❖ Refrain from any action that would lead to loss of his independence;
- ❖ where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- ❖ Assist the company in implementing the best corporate governance practices.

5. Role and functions:

Being a Director of the Company, you shall:

- ❖ help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- ❖ bring an objective view in the evaluation of the performance of board and management;
- ❖ scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- ❖ satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- ❖ safeguard the interests of all stakeholders, particularly the minority shareholders;
- ❖ balance the conflicting interest of the stakeholders;
- ❖ determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;

- ❖ Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

6. **Duties:**

Being a Director of the Company, you shall:

- ❖ undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- ❖ seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- ❖ strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- ❖ participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- ❖ Strive to attend the general meetings of the company;
- ❖ where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- ❖ keep themselves well informed about the company and the external environment in which it operates;
- ❖ not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ❖ pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- ❖ ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- ❖ report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- ❖ acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- ❖ not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

7. Policy and Code

The first Annexure to this introduction is a binder containing essential information in the form of written material. You may have already received some of this material. The Board, Management and Additional Information as itemized below is contained in the attached binder. Some of this information is available on the Company's website www.electrosteel.com

Board Information:

- a. Memorandum & Articles of Association of Electrosteel Castings Limited
- b. Last year's Annual Report, including Accounts and Corporate Governance Report.
- c. Unaudited Financial Results of previous quarter.
- d. Minutes of Board meetings held during the last twelve months
- e. Copies of the minutes of meetings of the Audit Committee and Nomination and Remuneration Committee for the last twelve months
- f. Code of Conduct for the Board of Directors and Senior Management Executives of the Company as per Clause 49 of the Listing Agreement
- g. Code for Prohibition of Insider Trading in accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992
- h. Terms of Reference of the Audit Committee and Nomination & Remuneration Committee.
- i. Nomination and remuneration Policy
- j. Corporate Social Responsibility Policy
- k. Related Party Policy
- l. Policy on material subsidiary
- m. Whistle Blower Policy
- n. Prevention and redressal of Sexual Harassment of Women at workplace Policy
- o. Quality Policy
- p. Environment Policy
- q. Quality Certification
- r. Greener Tomorrow