Electrosteel Casting (Promoter) – A Snapshot

Business Overview

- Incorporated in 1955
- Early entrant in the Ductile Iron Pipes (DI Pipes) sector in India. One of the few manufacturers of DI pipes in the world
- 20 years of experience in DI Pipe manufacturing
- Backward Integration through coking coal mine and iron ore mine
- Key Products: Ductile Iron Pipes, Cast Iron Pipes and Execution of Turnkey water & sewerage management contracts
- Total capacity of 280,000 TPA for DI pipes and 90,000 TPA for Cast Iron (CI) pipes
- International presence: South East Asia, South Asia, the Middle East & Gulf, Africa, Europe and US

Striving to become one of the largest, fully integrated, low cost producer of premium quality DI pipe globally

Shareholding Pattern as on 31st Mar 2014

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoters</td>
<td>20.3</td>
</tr>
<tr>
<td>Banks/FIs/Insurance Cos./MFs</td>
<td>51.2</td>
</tr>
<tr>
<td>NRI/GDR/FIs/Bodies Corp</td>
<td>19.9</td>
</tr>
<tr>
<td>Others</td>
<td>8.6</td>
</tr>
</tbody>
</table>

Market Data (As on May 16, 2014)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price (Rs.) (FV : Re.1 each)</td>
<td>25.3</td>
</tr>
<tr>
<td>Market Cap (Rs. mn)</td>
<td>8,681</td>
</tr>
<tr>
<td>52 week high / low</td>
<td>26.9 / 9.75</td>
</tr>
<tr>
<td>Book Value (31st March 2014)</td>
<td>54.66</td>
</tr>
<tr>
<td>P/BV (FY14)</td>
<td>0.46</td>
</tr>
</tbody>
</table>
An Unrivalled Success Story

- **1994**: Set up DI Pipe plant facility at Khardah with a capacity of 60,000 TPA
- **2001**: Capacity expansion of Pig Iron facility from 109,000 TPA to 200,000 TPA and DI Pipes from 120,000 TPA to 150,000 TPA
- **2002**: Acquired 46% stake in Lanco Ind. Ltd. (Involved in mfg. of DI pipes, pig iron & cement)
- **2003**: Commissioned fourth coke oven battery resulting in additional capacity of 70,000 TPA of coke, taking the total capacity to 295,000 TPA at Haldia; DI pipe and blast furnace capacity enhanced to 280,000 TPA and 250,000 TPA respectively
- **2004/2005**: Tied up US$ 77.50 mn through ECB, commissioned 360,000 TPA sinter plant at Khardah and commissioned a 75,000 TPA coke oven battery at Haldia.
- **2006**: Raised US$ 75 mn through FCCB Issue; DI Pipes and Blast Furnace capacity enhanced to 250,000 TPA and 235,000 TPA respectively; Set up 12 MW Power plant and 2nd 30,000 TPA Sponge iron plant at Haldia; We have been allotted an Iron Ore mine at Kodolibad, Jharkhand and a Non Coking Coal mine in Joint Venture at North Dhadhu.
- **2008**: Tied up US$ 77.50 mn through ECB, commissioned 360,000 TPA sinter plant at Khardah and commissioned a 75,000 TPA coke oven battery at Haldia.
- **2009**: US$ 40 mn raised through GDRs, commissioned 150,000 TPA coke oven plant and 30,000 TPA sponge iron plant at Haldia; We have been allotted a Coking Coal mine at Parbatpur, Jharkhand.
- **2010**: Set up 12 MW Power plant and 2nd 30,000 TPA Sponge iron plant at Haldia; We have been allotted an Iron Ore mine at Kodolibad, Jharkhand and a Non Coking Coal mine in Joint Venture at North Dhadhu.
- **2011**: Commissioned fourth coke oven battery resulting in additional capacity of 70,000 TPA of coke, taking the total capacity to 295,000 TPA at Haldia; DI pipe and blast furnace capacity enhanced to 280,000 TPA and 250,000 TPA respectively
- **2012**: Tied up US$ 200 mn through ECB; Trial Production of Coking Coal from Open Cast started
- **2013**: NCD issuance of Rs 120 crs subscribed by LIC; Tied up US$ 77.50 mn through ECB; Trial Production of Coking Coal from Open Cast started
- **2014**: Developmental Production of Coking Coal from Underground Mines has started; NCD issuance of Rs 150 crs subscribed by SBI and IDBI Bank; Preferential equity infused by Promoters
- **2015**: NCD issuance of Rs 120 crs subscribed by LIC
- **2016**: Modernization of Mini Blast Furnace for improved output
- **2017**: Commissioned 150,000 TPA coke oven plant and 30,000 TPA sponge iron plant at Haldia.
- **2018**: We have been allotted a Coking Coal mine at Parbatpur, Jharkhand.
- **2019**: US$ 40 mn raised through GDRs, commissioned 150,000 TPA coke oven plant and 30,000 TPA sponge iron plant at Haldia; We have been allotted a Coking Coal mine at Parbatpur, Jharkhand.
- **2020**: Developmental Production of Coking Coal from Underground Mines has started; NCD issuance of Rs 150 crs subscribed by SBI and IDBI Bank; Preferential equity infused by Promoters
- **2021**: NCD issuance of Rs 120 crs subscribed by LIC
- **2022**: Modernization of Mini Blast Furnace for improved output
- **2023**: Commissioned 150,000 TPA coke oven plant and 30,000 TPA sponge iron plant at Haldia.
- **2024**: We have been allotted a Coking Coal mine at Parbatpur, Jharkhand.
### Group Structure

#### Electrosteel Castings Limited

#### Facilities
- **Khardaha**
  - DI Pipe – 280,000 TPA
  - Pig Iron – 250,000 TPA
  - Sinter – 360,000 TPA
  - Power Plant – 3.75 MW
  - DI Fittings – 5,000 TPA
- **Haldia**
  - Coke – 295,000 TPA
  - Sponge Iron – 60,000 TPA
  - Power Plant – 12 MW
- **Elavur**
  - CI Pipes – 90,000 TPA
- **Parbatpur**
  - Coking Coal Mine – Geological Reserves of 231.2 mn MT
  - Coal Washery – 2 mn TPA
- **Kodolibad**
  - Iron Ore Mine-Key Forest clearance received

#### Overseas Subsidiaries
- **Wide distribution through subsidiaries**
- **Electrosteel Europe SA (100%)**
  - Marketing of products in Italy, France, Spain, Portugal, Poland & Germany
- **Electrosteel UK Ltd (100%)**
  - Marketing of products in UK
- **Electrosteel Algerie SPA (100%)**
  - Marketing of products in Algeria
- **Electrosteel USA (100%)**
  - Marketing of products in USA
- **Singardo Int’l Pte Ltd (46%)**
  - Marketing of products in Singapore, Indonesia, Brunei & Malaysia
- **Electrosteel Gulf FZE (100%)**
  - Marketing of products in Middle East
- **Electrosteel Doha for Trading LLC (49%)**
  - Marketing of products in Qatar
- **Electrosteel Trading SA Spain (100%)**
  - Marketing of products in Spain
- **Electrosteel Brasil Ltda. (100%)**
  - Marketing of products in Brazil

#### Associates
- **Electrosteel Steels Ltd (39.66%)**
  - SPV to set up 2.51 mn TPA integrated steel cum DI Pipe Plant
  - Total project cost of Rs. 113,270 mn
  - ECL equity contribution of Rs.8,876 mn (as on 31st Dec ’13)
- **Lanco Industries Ltd (48.54%)**
  - ECL acquired 46% stake in the company in 2002
  - Having an Installed Capacity of:
    - DI Pipes–225,000 TPA
    - Pig Iron – 225,000 TPA
    - Cement – 90,000 TPA
    - Coke – 225,000 TPA
    - Sinter – 500,000 TPA
Key Strengths

- Catering to water infrastructure industry
  - High growth potential due to increased investments in the sector

- One of the leading players in DI pipes
  - A niche technology to produce strong, long-lasting, corrosion resistant pipes

- Integrated Production Facilities
  - Coke Oven Plants
  - Captive Power Plants
  - Sinter Plant, Sponge Iron Plant & Pig Iron Plant
  - DI/CI Pipe Plants

- Backward Integration Measures-
  - Development of Coking Coal Mines
  - Development of Iron Ore Mines (Proposed)

- Global Footprint
  - DI Pipes Exports account for ~60% of DI Pipes turnover
  - Subsidiaries in US, UK, France/Spain, Algeria and Singapore

- Strategic Location of facilities
  - Mines located in Jharkhand
  - Plants located at Haldia and Khardah in West Bengal and at Elavur in Tamil Nadu

- Integrated business model
  - The company manufactures DI pipes and undertakes EPC contracts for water and sewerage infrastructure projects

- Backward Integration Measures-
  - Development of Coking Coal Mines
  - Development of Iron Ore Mines (Proposed)

- Robust Financials
  - The company has always maintained a healthy financial position

- Best management practices- quality related
  - Total Productive Maintenance and Total Quality Management techniques implemented at facilities

- Experienced management team
  - Promoters have decades of experience in the industry
Exports – Sustained Growth

- ECL believes that it has positioned itself in the international markets as a high-quality DI pipes manufacturer

- Increased its presence & reach by setting up foreign subsidiaries; developed strong relations with customers abroad

- Penetrated markets worldwide
  - Developed European markets – UK, Spain, France, Portugal, Italy
  - African market - Algeria
  - Asian & Middle East markets – Singapore, Hong Kong, Mauritius, Sri Lanka, Bangladesh, Qatar, Bahrain
  - Exploring USA markets

Well positioned to exploit the market potential in European, African and Asian markets
**Strong Corporate Governance - Eminent Non-Executive Directors**

### Non Executive Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Experience and Roles</th>
</tr>
</thead>
</table>
| **Mr. P. K. Khaitan (Chairman)** |                         | • Chairman & Director since 1972 and legal luminary with extensive experience in the fields of commercial and corporate law, tax law, restructuring and demergers  
   • Member of the Bar Council of India, Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration |
| **Dr J. J. Irani (Director)** |                         | • Serves on the board of Tata Sons and ex MD of Tata Steel Limited  
   • Fellow member of the Institute of Metals, Institution of Engineers, All India Management Association, member of expert committee to review & recommend development of Indian coal sector |
| **Mr. Naresh Chandra (Director)** |                         | • Eminent & experienced IAS officer (retired) and has held important roles in Indian Civil Service  
   • Chairing government committee on ‘Corporate Governance’ |
| **Mr. Binod Khaitan (Director)** |                         | • Director since 1975  
   • An experienced business professional & associated with various charitable and social organizations |
| **Mr. S.Y. Rajagopalan (Director)** |                         | • Worked as Whole time Director of the company since 1988 to 2007  
   • Has extensive experience in corporate and related laws and finance affairs |
| **Mr. M.B.N. Rao (Director)** |                         | • Former Chairman & Managing Director of Canara Bank  
   • Has held position of Chairman of The Indian Banks’ Association, chairman of various companies engaged in Banking, Insurance, Mutual Funds, and Merchant Banking |
### Coking Coal Mine

- **Location**: Parbatpur, Jharkhand (Jharia Coalfield Belt)
- **Geological Reserves**: 231.2 mn MT
- **Type of Mining**: Mainly Underground
- **Status Updates**:
  - Coal Production from few Local Seams is continuing;
  - Coal Washery plant with capacity of 2 mn MTPA is in place.
  - Incline & shaft construction are under progress
- **Team**: The Company has put in place a team of experienced people for management of various functions under the mining projects

### Iron Ore Mine

- **Location**: Kodolibad, Jharkhand (Near Chiria Mine)
- **Geological Reserves**: 91.2 mn MT
- **Type of Mining**: Open Cast
- **Status Updates**:
  - MoEF clearance received with conditions, being complied
  - Production expected in 8/10 months time.

Commencement of these Mines will add significant value to the Group
## ESL - Equity Structure (As on 31-03-2014)

<table>
<thead>
<tr>
<th>Sl</th>
<th>Category</th>
<th>Holding</th>
<th>% Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PROMOTERS BODIES CORPORATE</td>
<td>867,300,000</td>
<td>39.66%</td>
</tr>
<tr>
<td>2</td>
<td>FOREIGN COMPANIES</td>
<td>476,197,077</td>
<td>21.78%</td>
</tr>
<tr>
<td>3</td>
<td>BODIES CORPORATES</td>
<td>326,724,724</td>
<td>14.94%</td>
</tr>
<tr>
<td>4</td>
<td>FOREIGN CORPORATE BODIES</td>
<td>218,742,306</td>
<td>10.00%</td>
</tr>
<tr>
<td>5</td>
<td>RESIDENT INDIVIDUALS</td>
<td>218,579,947</td>
<td>10.00%</td>
</tr>
<tr>
<td>6</td>
<td>TRUSTS</td>
<td>21,512,190</td>
<td>0.98%</td>
</tr>
<tr>
<td>7</td>
<td>VENTURE CAPITAL</td>
<td>15,305,000</td>
<td>0.70%</td>
</tr>
<tr>
<td>8</td>
<td>H U F</td>
<td>14,655,590</td>
<td>0.67%</td>
</tr>
<tr>
<td>9</td>
<td>FOREIGN INSTITUTIONAL INVESTORS</td>
<td>974,8227</td>
<td>0.45%</td>
</tr>
<tr>
<td>10</td>
<td>MUTUAL FUNDS</td>
<td>8,489,224</td>
<td>0.39%</td>
</tr>
<tr>
<td>11</td>
<td>NON RESIDENT INDIANS</td>
<td>4,395,256</td>
<td>0.20%</td>
</tr>
<tr>
<td>12</td>
<td>DIRECTORS AND RELATIVES</td>
<td>3,651,515</td>
<td>0.17%</td>
</tr>
<tr>
<td>13</td>
<td>BANKS</td>
<td>950,000</td>
<td>0.04%</td>
</tr>
<tr>
<td>14</td>
<td>CLEARING MEMBERS</td>
<td>483,967</td>
<td>0.02%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>2,186,735,023</strong></td>
<td><strong>100.00%</strong></td>
</tr>
<tr>
<td>Location</td>
<td>Siyaljori village in Bokaro district of Jharkhand. The site is 22 kms from Bokaro and 52 kms from Dhanbad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>-----------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Status</td>
<td>The company has around 2200 acres of land. The company would use around 900 acres for the current 2.51 MTPA plant while the rest will be used for future expansion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw Materials</td>
<td>Iron Ore – To be procured from ECL mines in Kodolibad which is 230 kms away</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement</td>
<td>Coking Coal – 30% of the requirements to be procured from ECL owned mines situated in Parbatpur which is 6 kms from site.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Limestone – Would be procured locally and from Dubai and Thailand</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dolomite – Would be procured from Birmitrapur region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>The company has adopted Chinese technology and Shandong Metallurgical Design Institute (SDM) has been entrusted with basic and detail design &amp; engineering. SDM is the associated design company of Laiwu Steel &amp; Jinan Steel, who produces about 20 MTPA steel in China</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Source</td>
<td>Damodar River which is 8 km from the plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power</td>
<td>Captive 120 MW and balance from DVC in Dhanbad which is located 52 kms from the plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Railway Station</td>
<td>Telgharia Station which is 6 kms away from the plant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talent Pool</td>
<td>Sourced from nearby areas</td>
<td></td>
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</tr>
</tbody>
</table>
ESL Has Diversified Product Mix

Diversified Product Mix Including Semi And Finished Products

- Wire Rods: 24%
- DI Pipe: 13%
- Pig Iron: 16%
- Commercial Billets: 13%
- Rebar: 34%

Assured Off-take
- Location advantage with proximity to large number of steel manufacturers for supply of pig iron / semis

Premium for Brand
- The “Electrosteel” brand would command a premium over the local long steel manufacturers
- ECL has 18 years of experience of DI pipes market

Distribution Network & Clientele
- Leverage strong marketing and distribution network of ECL and Stemcor for selling final products in domestic and global markets

Export
- Gain entry into export market through Delivery and Marketing agreement with Stemcor for 3 years
## Product Mix

<table>
<thead>
<tr>
<th>Product</th>
<th>Capacity (MTPA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wire Rods</td>
<td>0.60MT</td>
</tr>
<tr>
<td>TMT Bars</td>
<td>0.85MT</td>
</tr>
<tr>
<td>DI Pipes</td>
<td>0.33MT</td>
</tr>
<tr>
<td>Steel Billets</td>
<td>0.32MT</td>
</tr>
<tr>
<td>Pig Iron</td>
<td>0.40MT</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2.50MT</strong></td>
</tr>
</tbody>
</table>
## Plant Configuration

<table>
<thead>
<tr>
<th>Name</th>
<th>Unit</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sinter Plant</td>
<td>MTPA</td>
<td>2.98</td>
</tr>
<tr>
<td>Coke Oven Plant</td>
<td>MTPA</td>
<td>1.0</td>
</tr>
<tr>
<td>Blast Furnace</td>
<td>MTPA</td>
<td>2.51</td>
</tr>
<tr>
<td>Basic Oxygen Furnace</td>
<td>MTPA</td>
<td>1.87</td>
</tr>
<tr>
<td>Billet Caster</td>
<td>Strand</td>
<td>2 X 5</td>
</tr>
<tr>
<td>Bar Mill</td>
<td>MTPA</td>
<td>0.85</td>
</tr>
<tr>
<td>Wire Rod Mill</td>
<td>MTPA</td>
<td>0.6</td>
</tr>
<tr>
<td>DI Pipe</td>
<td>MTPA</td>
<td>0.33</td>
</tr>
<tr>
<td>Oxygen Plant</td>
<td>M3/Hr</td>
<td>24,000</td>
</tr>
<tr>
<td>Calcining Plant</td>
<td>TPD</td>
<td>800</td>
</tr>
<tr>
<td>Dolomite Plant</td>
<td>TPD</td>
<td>150</td>
</tr>
<tr>
<td>Power Plant</td>
<td>MW</td>
<td>120</td>
</tr>
<tr>
<td>Utilities and Auxiliaries</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Fully Integrated Steel Project

- **Sinter Plant (3 MTPA)**
- **Pellet Plant (1.2 MTPA)**
- **Coke Oven Plant (1 MTPA)**
- **Blast Furnace (2.5 MTPA)**
- **Ductile Iron Pipe Plant (0.3 MTPA)**
- **Calcining Plant (0.8 MTPA)**
- **Hot Metal De-Sulphurization Plant (HMDP) (1.8 MTPA) (Provision)**
- **Basic Oxygen Furnace (BOF) (1.9 MTPA)**
- **Ladle Furnace (1.9 MTPA) (Provision)**
- **Billet Caster (1.8 MTPA)**
- **Wire Rod Mill (0.6 MTPA)**
- **Rebar Mill (0.85 MTPA)**

**Notes:**
1. 100% integration for iron ore through supply agreement with ECL.

**Integration Level**
- 100%
- 30%
- x%
FACILITIES UNDER OPERATION

• Vertical Coke Oven
• 350 m³ Blast Furnace
• 1050 Cum Blast Furnace No.2
• Pig Casting Machine
• Sinter Plant
• Rebar Mill
• Water Supply System
• 220 KV Sub-Station & 33 KV Distribution
• Soft Water and DM Water Plant
• Air Compressor Station
• Blast Furnace Gas Holder
• Steel Melt Shop
• Pulverized Coal Injection System
Site Overview
BIRD’S EYE VIEW OF THE PLANT
Satellite Image of the Plant
BLAST FURNACE AREA - OVERVIEW
BLAST FURNACE #3 PRODUCTION OF HOT METAL
HOT METAL POURING TO LADLE FOR TRANSFER
BLAST FURNACE #2 IN OPERATION
BLAST FURNACE SLAG GRANULATION PLANT
HOT METAL RAILWAY TRACK
FROM BLAST FURNACE
SINTER PLANT #1 – MACHINE BUILDING
SINTER PLANT #1 – MATERIAL PROPORTIONING BUNKERS
SINTER PLANT #1 – FURNACE AREA
SINTER PLANT #1 IN OPERATION
SINTER PLANT #2 - ESP
COKE OVEN – UNDER OPERATION
COKE OVEN – QUENCHING CAR
BATTERY OF COKE OVEN
TRANSFER OF LIQUID MATERIAL
SMS – UNDER OPERATION
INSIDE VIEW OF BAR MILL
BAR MILL – REHEATING FURNACE
BAR MILL – IN OPERATION
BAR MILL – COOLING BED
FINISHED TMT BAR
OXYGEN PLANT AREA - OVERVIEW
COLD BOX COLUMN
OXYGEN PLANT – COOLING TOWER & PUMP HOUSE
LIME PLANT
DOLOMITE PLANT – VERTICAL KILN
POWER PLANT – COAL FIRED BOILER
WASTE HEAT RECOVERY BOILER IN OPERATION
BLAST FURNACE GAS HOLDER
THANK YOU