MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF INDIAN ECONOMY

The Indian economy in Fiscal 2017 was marked by moderate expansion and macroeconomic stability, low inflation, and improvement in current account and fiscal deficits due to negative impacts from the global slowdown and the transient impact of demonetization (Source:). Domestic demand continued to drive growth, with strong private consumption and a public infrastructure spending push in India while net exports subtracted slightly from GDP growth. Growth in India slowed for the fifth consecutive quarter to 5.7% (year-on-year) in the first quarter of Fiscal 2018, partly reflecting adjustments by businesses to the prospective introduction of GST in July 2017. The real GDP growth rate was 6.7% in the fourth quarter of Fiscal 2017 as compared to 7.1 % for the previous year. Following an overall slowdown in India's rate of GDP growth in 2011, growth rebounded in 2014 through 2016, exceeding 7% each year, but slowed again in 2017. However, India's economic activity is expected to stabilize and maintain an annual GDP growth at 7% in Fiscal 2018. India's growth is projected to increase gradually to 7.4% by Fiscal 2020, reinforced by a recovery in private investment, which is expected to increase due to rise in public capital expenditure and an improvement in the investment scenario partly due to the implementation of GST and the Insolvency and Bankruptcy Code, 2016 ("IBC"), and favorable measures to attract foreign direct investment.

India's GDP growth rebounded to 6.3% in the second quarter of Fiscal 2018 from 5.7% since the first quarter of Fiscal 2018 after the initial delays associated with the rollout of nationwide GST, coming on the back of demonetization.

(Source: RBI Annual Report 2016 – 2017, Global Economic Prospects, January 2018, The World Fact book, World Bank, 2017. "Growth out of the Blue", RBI - Financial Stability Report, December 2017).

Global Steel Industry Scenario

Global steel demand grew at 4.8% on-year in 2017 largely driven by robust growth in the key steel producing countries. China witnessed strong demand growth at 8.3% on-year, followed by the US at 6.4%, Japan and EU at 3.5% and 3.1% on-year respectively. Demand from India grew at 4.4% on-year in 2017 as per WSA. However, steel demand from the rest of the world logged a marginal decline of 0.8% on year. In 2017 China eliminated its out dated induction furnaces which was generally not captured in official published statistics. The demand being catered by these closed units shifted to mainstream steel makers and therefore added to an incremental demand of 5.3% over the nominal base growth in 3%. Consequently, the steel demand growth in China increased to 8.3%.

Going ahead we expect steel demand to benefit from favourable global economic momentum especially in advanced economies, however, faces risks from rising global trade tensions. Higher than expected GDP growth shall result in 2 to 2.5% growth in steel demand from US and EU. China's demand growth is expected to moderate to 2-3% on-year owing to slacking construction industry and declining auto production. However, India to be an outlier with strong expected growth of ~6% on-year led by robust growth in infrastructure and construction segment coupled with healthy automobile production growth.

Over the medium term (2017-2022), we expect global steel demand to grow at 1-3%. Domestic consumption in China is expected to grow at 1-2%, whereas the world, excluding China, is set to grow at a faster 2-4% CAGR. Progress in OBOR could be a key factor in stabilising the global overcapacity situation as demand from the infrastructure and construction industries could potentially lead to incremental steel demand of 250-300 million tonnes for the project. (Source: CRISIL Report)

Indian Steel Industry Scenario

India is the third-largest crude steel producer in the world. In FY18, India produced 104.98 million tons of finished steel. Crude Steel production during 2017-18 stood at 102.34 million tons. Consumption of steel is expected to grow at 5.7 per cent year-on-year to 92.1 million tons in 2018. India's steel production is expected to increase from 102.34 million tons in FY18 to 128.6 million tons by 2021. The Government of India has allowed 100 per cent foreign direct investment (FDI) in the steel sector under the automatic route. Nearly 301 MoUs have been signed with various states for planned capacity of about 486.7 MT. India's per capita consumption of steel grew at a CAGR of 4.75 per cent from 45 kgs in FY09 to 65.25 kgs in FY17. The figure stood at 68 kgs during April-February 2017-18. National Steel Policy 2017 seeks to increase per capita steel consumption to the level of 160 kgs.

Indian Power Scenario

With electricity production of 1,201.543 BU in India in FY18, the country witnessed growth of around 55.72 per cent over the previous fiscal year. Over FY10–FY18, electricity production in India grew at a CAGR of 5.69 per cent. In March 2017, the Power Ministry has launched an application named - GARV-II, to provide real time data related to rural electrification regarding all un-electrified villages in India. A total of 17,164 villages out of 18,452 un-electrified villages in India have been electrified up to March 2018 as part of the target to electrify all villages by May 1, 2018.

GOVERNMENT INITIATIVES

The Union Budget for 2018-19 was announced by Mr Arun Jaitley, Union Minister for Finance, Government of India, in Parliament on February 1, 2018. This year's budget will focus on uplifting the rural economy and strengthening of the agriculture sector, healthcare for the economically less privileged, infrastructure creation and improvement in the quality of education of the country. As per the budget, the government is committed towards doubling the farmers' income by 2022. A total of ₹ 14.34 lakh crore (US$ 225.43 billion) will be spent for creation of livelihood and infrastructure in rural areas. Budgetary allocation for infrastructure is set at ₹ 5.97 lakh crore (US$ 93.85 billion) for 2018-19. All-time high allocations have been made to the rail and road sectors.

Some of the recent initiatives and developments undertaken by the government are listed below:

a. The Union Cabinet gave its approval to the North-East Industrial Development Scheme (NEIDS) 2017 in March 2018 with an outlay of ₹ 3,000 crores (US$ 460 million) up to March 2020.

b. In March 2018, construction of 321,567 additional houses across 523 cities under the Pradhan Mantri Awas Yojana (Urban) has been approved by the Ministry of Housing and Urban Poverty Alleviation, Government of India with an allocation of ₹ 18,203 crore.

c. The Ministry of Power, Government of India has partnered with the Ministry of Skill Development & Entrepreneurship to provide training to the manpower in six states in an effort to speed up the implementation of SAUBHAGYA (Pradhan Mantri Sahaj Bijli Har Ghar Yojna).

d. In February 2018, The Union Cabinet Committee has approved setting up of National Urban Housing Fund (NUHF) for ₹ 60,000 crore (US$ 9.3 billion) which will help in raising requisite funds in the next four years.

e. The target of an Open Defecation Free (ODF) India will be achieved by October 2, 2019 as adequate funding is available to the Swachh Bharat Mission (Gramin), according to Ms Uma Bharti, Minister of Drinking Water and Sanitation, Government of India.

f. The Government of India has succeeded in providing road connectivity to 85 per cent of the 178,184 eligible rural habitations in the country under its Pradhan Mantri Gram Sadak Yojana (PMGSY) since its launch in 2014.

g. A total of 15,183 villages have been electrified in India between April 2015-November 2017 and complete electrification of all villages is expected by May 2018, according to Mr Raj Kumar Singh, Minister of State (IC) for Power and New & Renewable Energy, Government of India.

h. The India-Japan Act East Forum, under which India and Japan will work on development projects in the North-East Region of India will be a milestone for bilateral relations between the two countries, according to Mr Kenji Hiramatsu, Ambassador of Japan to India.

i. The Government of India will spend around ₹ 1 lakh crore (US$ 15.62 billion) during FY 18-20 to build roads in the country under Pradhan Mantri Gram Sadak Yojana (PMGSY).

j. The Government of India plans to facilitate partnerships between gram panchayats, private companies and other social organisations, to push for rural development under its 'Mission Antyodaya' and has already selected 50,000 panchayats across the country for the same.

(Source: www.ibef.org)

Analysis and discussions on financial performance

Review of operating & financial performance – standalone

While the domestic economy was looking for improvement post demonetization led slow-down in growth and the delay in economy recovery caused by the disruptions followed by implementation of Goods and Service Tax (GST). While GST in long term is beneficial for domestic economy, the implementation of which delayed on account of teething problems, the process of industrial recovery has delayed by couple of months. The domestic iron & steel which was on path of recovery post demonetization on account of improvement in global growth outlook and improvement in steel demand supply scenario due to various environmental protection measures taken by Chinese Government like phasing out of high polluting steel plants etc., which took further momentum due to decisive action by the Chinese State Government on environmental crub, the finished steel prices saw further improvement resulting into recovery in steel prices and margin of iron & steel industry players. The operating & financial performance of the Company during the year under review is discussed below in detail:

Production and sales

i) Production

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

Products/ Division	Production in FY2018 (In MT)	Production in FY2017 (In MT)	Year on year growth
Iron ore mining	1579693	1175091	34.43%
Iron ore pellets	1841050	1495100	23.14%
Sponge iron	439139	434538	1.06%
Steel billets	197596	204162	-3.22%
MS rounds	142332	109984	29.41%
HB wire	116673	101156	15.34%
Ferro alloys	13772	13136	4.84%
Power (Units in crore)	48.36	46.15	4.77%

Iron Ore Mining:

The iron ore mining increased during the year under review by 34.43 % consequent upon ramp up of production volumes in Ari-dongri and Boria Tibu mines. The higher production from captive mines resulted into better operating margins as compared to last year on account of saving.

Iron Ore Pelletisation:

Your Company has achieved a capacity utilization of 88% in FY 2017-18 as compared to 71% in FY 2016-17. The production of iron ore pellets increased during the year by 23.14%. The higher production of iron ore pellets coupled with better realizations contributed to the top line and bottom line to a great extent.

Sponge Iron

The Company operated the sponge iron plant at full capacity and achieved the production volumes of 439139 MT, mainly on account of operational efficiency. During year the plant operated at 89% capacity utilization due to higher number of days of operation.

Finished Steel & Rolled Products

The production of Steel Billets reduced marginally by 3.22% on yoy basis. The production of steel billets and lower capacity utilization is on account of availability of lower power from captive sources. The utilization level in the steel billets division is expected to improve in the coming years as the Company has undertaken the modernization cum balancing plan in SMS and also on account of availability of power from the company's associate Jagdamba Power and Alloys Limited (JPAL), for which necessary approvals have been received. The power from JPAL is expected to be available in couple of weeks, which will lead to between improvement in capacity utilisation of Steel Melting Shop.

Ferro Alloys:

The Company is making silico manganese, used in steel making. The production of ferro alloys increased marginally by 4.84% yoy. The demand for ferro alloys has also improved over a period of last one year leading to improved demand scenario.

Captive Power:

The Company is operating 73 MW 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 increased marginally by 4.77% as compared to previous year. The Company has also tied up additional power capacity of 25 MW with Jagdamba Power & Alloys Ltd

ii) Net sales/income from operations:

Product	FY 2018			FY 2017		
	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	1247361	669.23	5365	946587	412.69	4360
Sponge iron	228469	381.04	16678	248497	307.72	12382
Steel billets	81560	226.10	27722	103976	226.98	21830
MS rounds	74813	242.82	32460	82490	217.20	26331
HB wire	116562	396.48	34015	100289	281.44	28063
Silico Manganese	10891	70.39	64632	10172	53.60	52696
Others	-	139.83	-	-	46.39	-
TOTAL		**2125.89**			**1546.02**	

In fiscal 2017-18, the Company achieved standalone net sales of ₹ 2125.89 Crores as compared to net sales of ₹ 1546.02 crores achieved during previous financial year, registering growth of 37.51%. The same was led by increase volume of production and realizations across all the products of the Company, due to beyond demand environment.

iii) Raw Material & Input Cost:

The raw material and input cost of Company during the year was 59.84% of net sales as compared to 68.69% during the previous year. The overall cost reduced on account of improved utilization in captive iron ore mines, leading in reduction in input cost. Further your Company during the year secured long term coal linkages (5 years) from Coal India Ltd. in the recently concluded auction of coal linkages as per policy framed by Government of India and Coal India Ltd. The coal under linkages supply is cheaper as compared to market price of coal. Although due to rack availability issue the supply of linkage coal is delayed, however situation is improving gradually and your Company is expected to get full benefit of linkage coal over a period of next 2 years, The Company is in the process of ramping of the iron mining output to its approved capacity of 2 million tons which is also expected to help reduce the input cost going forward leading to improved margin and protect the business of the Company from down turn in iron & steel demand. Your Company has secured major portion of input requirement through captive mines and coal linkages.

iv) Operating and other expenses

The Company's operating and other expenses increased to ₹ 313 crore as against ₹ 239 crore mainly due to increased production volumes. Operating expenses as percentage of net sales decreased by 0.74%, as compared to previous year.

v) Employee cost

The employee cost during the year increased by 19.94% ₹ 80.08 crore as compared to ₹ 66.77 crore in the previous year due to increase in salaries of employees & workers. The employees cost stood at 3.77% of net sales during the year under review as compared to 4.32% during the previous year.

vi) Operating margins (EBIDTA)

The EBIDTA increased to ₹ 434.96 crores as compared to ₹ 176.88 crores of previous year which was 20.46% compared to 11.44% of net sales during the year under review mainly due to operational efficiency, increase in sales volume, cost reduction measures taken by the Company over last couple of years and realisations across all the finished products of the Company.

vii) Interest and financial charges

Total expenses towards interest and bank charges increased from ₹ 176.70 crore in 2016-17 to ₹ 184.81 crore in 2017-18. The higher interest cost in FY18 was on account of additional cost, due to adjustments arising on account of debt restructuring of the Company approved in March, 2017 and effect of the same has been given in the current year by few lenders and conversion of non-fund based exposure into long terms debt, consequent upon restructuring of debt by the banks under corrective action plan at the request of the Company.

viii) Depreciation

The depreciation during the year has been provided as per Revised Schedule – II under the Companies Act, 2013. During the year under review the depreciation increased to ₹ 89.49 crores as compared to ₹ 78.18 crores due to capitalisation of plant and machinery and changes on account of implementation of Ind AS.

ix) Profit/Loss before Tax (PBT)

The Company has registered a net profit before tax and exceptional items of ₹ 166.18 crore, as against net loss before tax of ₹ 78.01 crore during the previous year.

x) Provision for taxation

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

xi) Profit/Loss After Tax (PAT)

The Company registered net profit after tax and extraordinary items of ₹ 181.95 crores as against net loss after tax and extraordinary items of ₹ 77.44 crores during previous year.

xii) Appropriation

Your Company did not transfer any amount to the General Reserves Account during the Financial Year 2017-18.

xiii) Provision for dividend and dividend tax

In view of the restrictions imposed in the Master Restructuring Agreement entered into by the company with its Lenders during the last Financial Year, the Board of Directors of the Company have not recommended payment of any dividend for the year under review.

xiv) Fixed assets

(₹ in crores)

Particulars	FY18	FY17	Change	Change %
Gross block	**1502.17**	1472.45	29.72	2.01
Less depreciation	**218.10**	138.05	80.05	57.98
Net block	**1284.07**	1334.40	-50.33	-3.77
Capital WIP and pre-op expenses	**88.59**	58.92	29.67	50.36
Net fixed assets	**1372.66**	1393.32	-20.66	-1.48

The gross block and depreciation has increased due to addition of plant and machinery by capitalisation of capital work in progress and also capitalisation of borrowing cost.

xv) Inventories

The overall value of inventory of raw materials including stock in transit increased to ₹ 229.64 crore as on March 31, 2018 as compared to ₹ 105.16 crore as on March 31, 2017. The average level of holding of raw material stood at 66 days of consumption as compared to a level of 36 days during the previous year. Raw Material inventory kept at increased level in view of the increasing trend in the prices.

xvi) Sundry debtors

The debtors outstanding as on 31st March, 2018 were 18 days of sales as compared to 17 days in FY 17, which was in normal range.

xvii) Short-term loans and advances

Loans and advances as on 31st March 2018 stood at ₹ 212.13 crores as against ₹ 224.29 crores on 31st March 2017, which was mainly due to advances to vendors and due to increase in advances for coal procurement to South Eastern Coal-fields Ltd. and other vendors and increase in unsecured loan was mainly on account of provision of interest.

xviii) Other current and financial liabilities

Overall current and financial liabilities increased from ₹ 164.11 crore to ₹ 273.77 crore mainly due to current maturities of long term borrowings and GST payable. Details of current liabilities were as follows:

(₹ in crores)

Particulars	FY 18	FY 17
Trade payables	**142.01**	101.38
Advances from customers	**7.44**	11.78
Creditors for capital goods	**NIL**	1.12
Current maturities of long-term borrowings	**84.10**	18.91
Others	**40.22**	30.92
Total	**273.77**	**164.11**

xix) Secured and unsecured loans

At the end of the year, secured term loans (including non-convertible debentures) totaled ₹ 1285.01 crores as against ₹ 1360.61 crore in FY 2017. The decrease is owing to repayment of restructured credit facilities as per Master Restructuring Agreement.

xx) Deferred tax assets

The deferred tax assets as on March 31, 2018 was ₹ 57.61 crores as compared to ₹ 1.90 crores during the previous year.

xxi) Key financial indicators:

The key financial ratios of the Company are given below:

Particulars	FY 18	FY 17
EBIDTA to net sales (%)	**20.46**	11.44
Profit/(Loss) after tax to net sales (%)	**9.54**	(5.01)
Earning per share (Basic)	**51.64**	(23.64)
Earnings per share (Diluted)	**51.64**	(23.64)
Net worth per share	**254.27**	200.71
Current ratio	**1.76:1**	1.81:1
Debt-equity ratio	**1.84:1**	2.01:1
Return on Net worth (%)	**20.98**	(11.31)
Interest Service Coverage Ratio	**2.38**	1.00

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial results of the Company included results from the operations of subsidiary companies i.e. Ardent Steel Ltd, Godawari Green Energy Ltd and associate companies Hira Ferro Alloys Ltd and Jagdamba Power and Alloys Ltd and Joint Venture Companies namely Raipur Infrastructure Company Ltd and Chhattisgarh Captive Coal Mining Ltd. Results of JV Companies consolidated are unaudited, which has no major impact on overall financials of the Company.

The Company achieved consolidated gross revenue from operations of ₹ 2588.84 crore during the year under review as compared to ₹ 1994.08 crore during the previous year registering growth of 29.83% and EBITDA of ₹ 605.56 crore as compared to ₹ 306.07 crore during previous year, which grew by 97.85%. The EBITDA Margins increased to 23.39% as compared to 15.35% during previous year. The Company has registered a consolidated net profit of ₹ 214.69 crore as compared net loss after tax of ₹ 73.62 crore in the previous year, demonstrating overall turn around in operations & financial performance of the Company.

The operations of major subsidiary Companies and associates are discussed below:

Ardent Steel Limited (ASL):

During the year, ASL produced 590876 MTs of iron ore pellets & sold 584459 MTs of pellets in the market. The Company achieved net sales of ₹ 296.13 crores, EBIDTA of ₹ 76.42 Crores & PAT of ₹ 28.18 crores during year as compared to net sales of ₹ 147.05 crore, EBIDTA of ₹ 27.97 crore & net loss of ₹ 3.23 crore during the previous year. The net debt of the Company at the end of the year stood at ₹ 149.45 crore which is a reduction of ₹ 10.22 crore from last year net debt of ₹ 159.67 crore.

Godawari Green Energy Limited (GGEL)

During the year, the GGEL generated 96.54 million units (CUF 22.04%) which is 6% lower as compared to generation in FY17. The generation was lower on account of grid failure in the month of May'17. Now, the plant is connected to 220 KVA grid along with 132 KVA grid earlier so that the interruption in generation due to grid failure can be avoided. The net revenue, EBIDTA & PAT of the Company stood at ₹ 105.36 crore, ₹ 89.86 crore & ₹ 0.62 crore respectively during the year as compared to ₹ 111.35 crore, ₹ 102.52 crore & ₹ 6.48 crore respectively during previous year. The net debt of the Company at the end of the year stood at ₹ 480.36 crore which is a reduction of ₹ 30.43 crore from last year net debt of ₹ 510.79 crore.

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 increase in the realizations of ferro alloys during the current year as compared to previous year have resulted in increase in profitability of the company. The Company achieved operating revenues of ₹ 252.35 crores during the year as compared to operating revenue of ₹ 199.53 crores in previous year. The Company's operations resulted into net profit after tax of ₹ 5.76 crores as compared to net profit after tax of ₹ 2.94 crores during previous year.

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 Pellet plant in 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 area at Raipur in Chhattisgarh. 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 Keonjhor district, near to is 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:

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

Education initiatives

1. The Company runs a school (Aakanksha Lions School) for specially-abled students.
2. Provided salary to night guard & teachers of Government Primary and Middle School of village Mandhar, Siltara & Tada and also to Community Teachers appointed in Govt. schools of Kachhe & Parrekodo Gram Panchayat. The Company organised education trip for the students of Govt. School Kachhe & Parrekodo.
3. Provided school fee for meritorious students of village-Siltara for the session-2017.
4. The company has engaged Community Teachers in Govt. Primary, Middle & High schools of nearby Villages of Boria Tibu Mines for the session 2017.
5. Provided Scholarship to students of Govt. Hr. Sec. School of village Mandhar for the session-2017.

Health initiatives

1. Free Health Checkup Camp for students of Village Tada
2. Operating First Aid Health Centre in Peripheral villages of Kachhe Aari Dongri Mines, Dorba.
3. Free Health Checkup of villagers in Gidhali

Drinking water projects

1. The Company has maintained piyau hut and engaged manpower to provide water in Siltara, Kachhe, Tada & Mandhar during summer season.
2. Provided Water tankers in the nearby villages of Mines during summer season.
3. Provided Water tanker for Dust Suppression & Drinking Water in Peripheral villages of Boria Mines.

Infrastructure development

1. Painting work in Govt. Primary & Middle School of village Tada.
2. Construction of C.C. Road at Tada, Mandhar.
3. Plantation, Beautification & Landscaping work in front of PWD Rest House & Gaurav Path, Kanker.

Environment

1. Engaged manpower for maintenance of Plantation & Garden in Janpad Office Dharsiwa & Dharsiwa Police Station.
2. Expenses incurred in plantation & Labour payment engaged in plantation work at CSIDC Land (60Acre), Siltara & AKVN Land (4 Acre), Tada.
3. Expenditure incurred for Maintenance of Garden & Plantation at Swami Vivekanada International Airport, Raipur.
4. Expenditure incurred for water tankers engaged for maintenance of plantation, dust suppression.
5. Purchased water bottles for celebration of World Ozone Day.
6. Plantation in and around Industrial Area, Raipur.

Community development activities:

Financial assistance to the District Administration for promotion of Community Development and welfare to the local people of surroundings of mining lease area at Kachche village

Women Empowerment

1. Operational cost of Stitching & Tailoring Center at Kachhe & Parrekodo

For and on behalf of Board of Directors

Place: Raipur
Date: 02.05.2018

Chairman