Monnet Ispat and Energy Limited

Annual Report **2019-20**

MIEL in a snapshot

1

Value added-product (special steel)

(Read more on Page 2)

2

Integrated production units

Read more on Page 3)

6

Product verticals

(Read more on Page 4)

2,200+

Team strength

Contents

Organisational overview

01 Better everyday
02 Company profile
04 Expanding our product suite
06 On the path of total turnaround
08 Corporate information

Statutory reports

10 Directors' report
36 Management discussion and analysis
43 Business responsibility report
52 Corporate governance report

Financial statements

74 Standalone financial statements
133 Consolidated financial statements

BETTER EVERYDAY

FY 2019-20 served as ground zero for our turnaround story. During the year, we underwent organisational transformations with support from our promoter companies.

With new resources added to the enterprise, we relaunched our business with renewed vigour and a gamut of possibilities. Our new purpose is underpinned with pragmatic decision-making and a sustainability agenda, which will enable us to deliver stakeholder value at every step of our journey here onwards.

We are in the process of further expanding our product mix, foraying into value-added products with the planned addition of special steels in our offerings.

During FY 2019-20, we concentrated on upgrading our processes and facilities, capacity expansion and establishing our brand in markets. Going forward, we will focus on re-establishing MIEL as a trusted partner for the supply of sponge iron, pellets, special steels and TMT bars.

Company profile

Monnet Ispat and Energy Limited (MIEL) is a primary manufacturer of Pellets, Sponge Iron, Ferro Alloys, Billets, Structural Steels and TMT bars.

We have two manufacturing facilities at Raigarh and Raipur in Chhattisgarh.

Our integrated steel plant at Raigarh, has an operating capacity of ~1.00 MTPA, with the ability to scale up to 1.5 MTPA on completion of the balance steelmaking facilities. It also has a pellet production capacity of 2.2 MTPA, with the ability to scale up to 2.5 MTPA. Our unit for steel production at Raipur has an operating capacity of 0.25 MTPA.

FAST-TRACKING GROWTH

We have streamlined our operations for better organisational effectiveness and agility. During the year, we commenced the upgradation process of our Raigarh plant for the proposed production of special steel products. Special steel is an alloyed material that is produced with precise features, mostly according to customer specifications. It is used for various activities in different industries like automobiles, boilers, railways, power grid and general engineering. At MIEL, we remain confident of this venture's viability, as it serves the dual purpose of enhancing margins and delivering customer-indicated products, offering us opportunities to collaborate with and delight customers. Going forward, we expect this product vertical to drive our margins and accelerate our turnaround story.

INCREASING PRODUCTIVITY

We are on the lookout for efficient ways to minimise cost and enhance effectiveness and are currently focusing on debottlenecking our units. With some modifications, especially for producing special steel and operational improvements, we are improving capacity across our units.

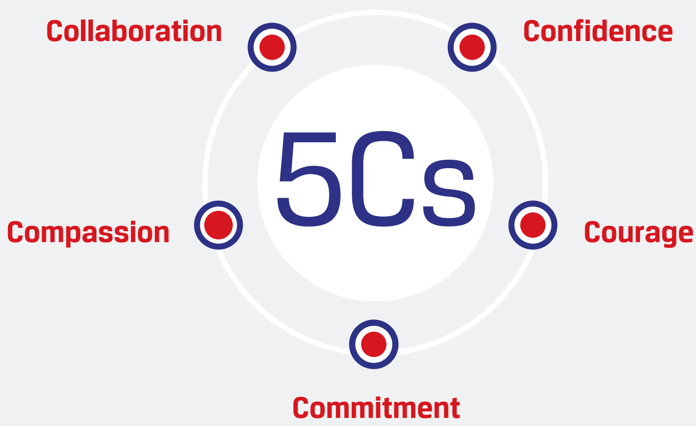
We will closely monitor our technological and economic parameters, adopt best industry practices, implement Standard Operating Procedures (SOPs), concentrate on lowering downtimes and upping quality to strengthen our business. Going forward, we will focus on operating our plants at full capacity.

SYNERGIES WITH JSW STEEL

Our synergies with JSW Steel Limited (JSW Steel) extend to using its Neosteel brand; incorporating best practices, including guidance on people initiatives like training and development, occupational health and safety programmes; guidance on strategic decision-making; access to its large vendor base for raw material procurement, emergency requirements of spares and other such necessities.

STRONG VALUES FORGE THE BEST STEEL

At MIEL, our organisational values are aligned to the values of JSW Group and include the 5Cs of



BUSINESS MODEL

INPUTS

Capital
A consortium of AION Investments Private II Ltd., (AION) and JSW Steel acquired a majority stake in MIEL, and along with lenders, provided the funds for capital expenditure and working capital.

Raw materials
We source raw materials in bulk from nearby mines, and also import them where needed;

- Iron ore is procured from mines located at Odisha
- Coal for sponge iron is majorly imported
- Coke is procured from domestic sources
- Coal for power plant is sourced from government mines

People
Our people play a crucial role in executing our strategies. Their experience, skills and expertise are essential for our progress.

BUSINESS PROCESSES

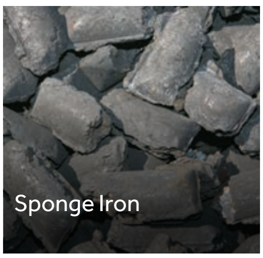
Main functions
- Raw materials
- Inbound logistics
- Manufacturing
- Processing
- Outbound logistics

Manufacturing
- Two steel manufacturing facilities at Raigarh and Raipur, Chhattisgarh.
  - **Raipur**
    - Steel production with 0.25 MTPA capacity
    - Sponge iron manufacturing facility with 0.30 MTPA capacity
    - Ferro alloy unit with 0.044 MTPA capacity
  - **Raigarh**
    - Integrated steel production unit with a capacity of ~1.00 MTPA, with the ability to scale up to 1.5 MTPA
    - Pellet plant with production capacity of 2.20 MTPA and under process of gradually increasing to 2.50 MTPA
    - Upgraded technologies
    - Moving towards full capacity utilisation and resource optimisation

Support functions
- Strategic decision-making
- Procurement
- Energy management
- Quality management
- Environment management
- Administration
- Human resources
- Marketing and sales
- Governance and risk management

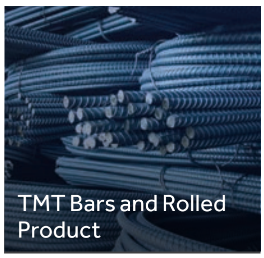
OUTPUTS

Product mix


Sponge Iron


Special Steel (proposed)


Billets and Pellets


TMT Bars and Rolled Product


Structural Steel and Ferro Alloys

For more on our turnaround story refer to our management discussion and analysis on page 36

Expanding our product suite

We have a wide range of offerings that primarily cater to the mass markets of northern and eastern India, wherein we leverage proximity to them.

With special steel production capabilities, we are looking forward to exports and collaborating with Original Equipment Manufacturers (OEMs) in future. Furthermore, we will concentrate on TMT sales to OEMs and the retail sector, besides exporting special billets, pellets and sponge iron.

INDUSTRIES WE CATER TO

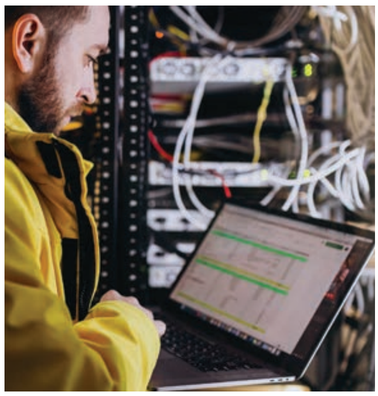
Automobile

Infrastructure

Construction

Equipment and machinery manufacturing

Other transport (ships and railways)



Electrical equipment

PORTFOLIO OF OFFERINGS

	Production capacity	Product specifics	Technology and expertise
 **Sponge iron and Pellets**	• Sponge iron with production capacity of ~0.56 MTPA at Raigarh and Raipur with a capacity of 0.30 MTPA • Pellet plant with a production capacity of 2.20 MTPA at Raigarh	• Exhibits superior quality with excellent metallic content • Low sulphur and phosphorus content • Ensures the product is free from dust with the use of a high-end process	• Possesses considerable expertise in the production of sponge iron • Pellets are prominently used in making sponge iron • Sponge iron is a raw material for steelmaking
 **Billets**	• Capability to produce mild steel and special steel billets, with a production capacity of ~1.0 MTPA at Raigarh plant and with steel capacity of 0.25 MTPA at Raipur plant	• Proposed special billets will be used in various applications like boilers, power transmission lines, railways etc. • Variety of special cast product sizes - 280x370 mm for heavy forgings and rail applications - 220 mm sq for various grades like low, medium carbon and micro-alloy forgings - 130 mm diameter for seamless pipe industry - 140 mm sq with extra lengths up to 14 m for cast products of cold heading, free-cutting and high carbon steels	• Integrated steel plant has become a competitive and cost-effective steelmaking unit • Designed to utilise waste heat and gasses generated in the process, creating an energy-efficient steel-making unit • Electric arc furnace and ladle refining furnace for stringent control on chemistry
 **TMT, Structural Steel and Special Bars**	• An integrated steel producer with a capacity of 0.5 MTPA for roll products, including TMT products and proposed special steel products at Raigarh • Structural steel capacity at Raipur plant is at 0.15 MTPA and Ferro Alloy capacity at 0.04 MTPA	• TMT available in diameters up to 32 mm • Structural steel, which caters to the infrastructure and construction industry • Special bars, which are predominantly used in the automotive sector	• State-of-the-art facilities with technologically advanced equipment to ensure uniform high-quality and strength across the length of the bar • Robust quality inspection facilities to deliver quality products to our customers

On the path of total turnaround

> During the year, we undertook debottlenecking and upgradation of all steel manufacturing facilities, including the upgradation of pelletisation at the Raigarh plant. We are currently looking at increasing the pellet capacity from 2.20 MTPA to 2.50 MTPA, which will facilitate better economies of scale and higher sales volumes, led by higher production.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,
FY 2019-20 marks an important milestone in our journey, in which proactive steps were undertaken to transform and expand the product mix from commodity steel products to value-added special steel products. This has been done to deliver better value to customers and will go a long way in achieving improved profitability.

During FY 2019-2020, we refurbished and restarted our integrated steel manufacturing operations at Raigarh location. Currently, we are in the process of completing the first phase of turnaround and special steel production is expected to commence in Q1 of FY2021.

With an exciting product portfolio and state-of-the-art manufacturing facilities in Raigarh, the turnaround is expected soon.

CUSTOMER-LED AND VALUE-ADDED

During the year under review, we streamlined the operations for better organisational effectiveness, agility and have taken steps to commence the production of value-added special steel products consumed in various applications of automobiles, boilers, railways, power grid and general engineering industries. Initially, the Company will focus on the domestic markets of North and East India due to the proximity of the plant to these markets, thus leveraging logistic advantages and reducing our carbon footprint.

In the special steel journey, our emphasis is on deepening the market penetration by onboarding more customers and harnessing the synergies with JSW Steel. As stated, our strategy will be mainly to sell rolled products in the North and East zones and export special steel billets. Going forward, we will be able to create more value by focusing on special steel products from the Raigarh plant.

BUILDING SYNERGIES WITH JSW STEEL

The partnership with JSW Steel is playing a pivotal role in our turnaround story and is significantly optimising the way we operate. Leading with guidance on strategy, operations, and Environmental, Social and Governance (ESG) practices, the JSW Steel management is helping us become truly better, every day. With the guidance and support from JSW Steel, we are able to harness the latest industry know-how, market intelligence, training expertise and experience across all business functions.

PERFORMANCE AND OPERATIONS

During the year, we undertook debottlenecking and upgradation of all steel manufacturing facilities, including the modernisation of the pelletisation plant at Raigarh. We are currently looking at increasing the pellet capacity from 2.20 MTPA to 2.50 MTPA, which will facilitate better economies of scale and higher sales volumes, led by higher production.

COVID-19 RESPONSE

During the COVID-19 pandemic, due to initial 21 days' nationwide lockdown announced by the government with effect from 25 March 2020, we temporarily suspended all manufacturing operations at our plants situated in Raipur and Raigarh. Although steel is considered as an essential commodity, we prioritised the health and wellbeing of the employees and aligned to support the nation in its fight against COVID-19.

Following the first phase of the lockdown, we commenced operations in both the plants, in a staggered manner from May 2020 onwards. This has been done with full compliance of the relevant guidelines/ advisory issued by the government and local authorities. We also continue to rely on technology to communicate and coordinate work and have initiated, work from home, for colleagues in non-core/ support functions.

The COVID-19 impact may be too soon to assess and comment upon. However, one can say with fair certainty that the business environment is headed towards a new normal with new opportunities and challenges. While there are temporary issues such as shortage in manpower and disruptions in supply chain, we expect to tide over them and carry forward the business as usual, with resilience and resolve.

Even as uncertain times loom ahead, our turnaround is right on track. A large part of it can be attributed to the trust extended by various stakeholders, including lenders, investors, employees, customers and partners. I heartily thank each one of you for your untiring support and seek your continued patronage, as we get back on our feet, stronger than ever before.

Regards

Jyotin Mehta
Chairman

Corporate information

BOARD OF DIRECTORS

MR. JYOTIN MEHTA
Chairman
Independent Non-Executive Director

MR. SESHAGIRI RAO MVS
Non-Independent Non-Executive Director

MR. KALPESH KIKANI
Non-Independent Non-Executive Director

MR. SANJAY KUMAR
Non-Independent Non-Executive Director

MRS. ANURADHA BAJPAI
Independent Non-Executive Director

MRS. SUTAPA BANERJEE
Independent Non-Executive Director

MR. NIKHIL GAHROTRA
Non-Independent Non-Executive Director

MR. RAVICHANDAR MOORTHY DHAKSHANA
Whole-Time Director

CHIEF FINANCIAL OFFICER

MR. J. NAGARAJAN

COMPANY SECRETARY

MR. AJAY KADHAO

INVESTOR SERVICE GRIEVANCE

MR. AJAY KADHAO (Compliance Officer)
Art Guild House, A-Wing, 2nd Floor,
Unit No-13, Phoenix Mall Compound,
Kurla West, Mumbai – 400070
Phone: +91-22-68826700
E-mail: isc_miel@aionjsw.in

CORPORATE WEBSITE

www.aionjsw.in

BANKERS

IndusInd Bank Limited

AUDITORS

Statutory Auditor
Deloitte Haskins & Sells LLP
Chartered Accountants

Cost Auditor
Shome & Banerjee, Cost Accountants

Secretarial Auditor
S. Srinivasan & Co., Company Secretaries

REGISTERED OFFICE & RAIPUR WORKS

Monnet Marg, Mandir Hasaud,
Raipur – 492101 (Chhattisgarh)

RAIGARH WORKS

Village Naharpali, Tehsil Kharsia, Distt.
Raigarh – 496661 (Chhattisgarh)

CORPORATE OFFICE

Art Guild House, A-Wing, 2nd Floor,
Unit No-13, Phoenix Mall Compound,
Kurla West, Mumbai – 400070

REGISTRAR & SHARE TRANSFER AGENT

MCS Share Transfer Agent Ltd.
F-65, Okhla Industrial Area, Phase-I,
New Delhi – 110 020
Tel.: 011- 41406149
Email: admin@mcsregistrars.com

Statutory reports

10 Directors' report
36 Management discussion and analysis
43 Business responsibility report
52 Corporate governance report

Financial statements

74 Standalone financial statement
133 Consolidated financial statement

Directors' report

To the Members,

The Board of Directors present the 30th Annual Report of the Company, along with the financial statements for the financial year ended 31 March 2020.

1. FINANCIAL SUMMARY

The financial summary and performance highlights of the Company for the financial year under review are as follows:

(₹ in Crore, except per share data)

S. No.	Particulars	Standalone		Consolidated	
		Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019
1	**Income from operations**				
	(a) Gross sales	2607.76	1872.35	2607.76	1872.35
	(b) Other operating income	30.40	7.06	30.40	7.06
	Total income from operations	**2638.16**	**1879.41**	**2638.16**	**1879.41**
	Other Income	25.97	26.83	26.28	27.00
	Total income	**2664.13**	**1906.24**	**2664.44**	**1906.41**
2	**Expenses**				
	(a) Cost of materials consumed	1977.84	1744.01	1977.84	1744.01
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(34.48)	(266.01)	(34.48)	(266.01)
	(c) Employee benefits expense	116.46	89.34	117.00	90.35
	(d) Finance costs	253.32	445.27	253.32	445.27
	(e) Depreciation and amortization expense	216.99	275.60	218.76	277.51
	(f) Power and fuel	287.28	147.85	287.28	147.85
	(g) Other expenses	334.88	163.37	336.72	164.00
	Total expenses	**3152.29**	**2599.43**	**3156.44**	**2602.98**
3	**Loss from operations before exceptional items and tax (1-2)**	(488.16)	(693.19)	(492.00)	(696.57)
4	Exceptional items	-	2767.92	-	2855.67
5	**Loss before tax (3-4)**	**(488.16)**	**(3461.11)**	**(492.00)**	**(3552.24)**
6	**Tax expense:**				
	(i) Current tax	-	-	-	-
	(ii) Deferred tax	-	-	-	-
7	**Loss after tax for the year(5 + 6)**	**(488.16)**	**(3461.11)**	**(492.00)**	**(3552.24)**
8	**Other comprehensive loss (after tax)**				
	A. (i) Items that will not be reclassified to profit or loss	(3.65)	(33.04)	(3.64)	(33.06)
	(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-	-	-
	B. (i) Items that will be reclassified to profit or loss	-	-	(25.69)	9.98
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-
9	**Total comprehensive loss for the year(7+8)**	**(491.81)**	**(3494.15)**	**(521.33)**	**(3575.32)**
	Total comprehensive loss for the year attributable to:				
	Owner of the company	**-**	**-**	**(521.21)**	**(3,575.19)**
	Non-controlling interests	**-**	**-**	**(0.12)**	**(0.13)**
	Total loss for the year attributable to:				
	Owner of the company	**-**	**-**	**(491.88)**	**(3,552.11)**
	Non-controlling interests	**-**	**-**	**(0.12)**	**(0.13)**
	Other comprehensive loss for the year attributable to:				
	Owner of the company	**-**	**-**	**(29.33)**	**(23.08)**
	Non-controlling interests	**-**	**-**	**-**	**-**

2. FINANCIAL AND OPERATIONAL PERFORMANCE

The Company has two manufacturing facilities namely, at Raigarh and Raipur, in State of Chhattisgarh.

During the financial year under review, the Company had taken shut down of the steel manufacturing operations other than Pellet Plant and Sponge Iron Plant, at its Raigarh, Chhattisgarh plant, with effect from 21 June 2019 for necessary modifications and general maintenance. The integrated steel operations at the Raigarh Plant of the Company were re-started with effect from 02 March 2020. However, in view of 21 days' nationwide lockdown advisory announced by the Government of India and other authorities to contain the spread of Corona Virus disease (COVID-19), the Company temporarily suspended all the manufacturing operations of its plants situated at Raipur and Raigarh both located in the State of Chhattisgarh with effect from 25 March 2020.

The Company has taken aforesaid temporary suspension of its all plants operations even though the manufacturing units with continuous operation and the units producing essential commodities (Steel is classified as an essential commodity under the Essential Services Maintenance Act, 1981 (ESMA)), were exempted from the lockdown announcement, supporting the initiative of the Government for containment of COVID -19 epidemic.

The Company restarted the integrated steel manufacturing operations at the Raigarh plant of the Company with effect from 02 May 2020 and the manufacturing operations at Raipur plant were restarted with effect from 15 May 2020.

The manufacturing operations of the Company are conducted in compliance with the relevant guidelines/ advisory issued by the Government and authorities, for taking necessary measures for the containment of COVID-19, including measures like maintaining social distancing.

Following is the operational and financial performance of the Company for the financial year under review:

Standalone:

The Company's operational performance in terms of physical production and sales during the year ended on 31 March 2020, is as under –

Production (MT)–

Particulars	FY'2020	FY'2019	Increase / (Decrease) (+)/(-) Variance
Sponge Iron	829,228	722,371	106,856
Billets	212,266	157,430	54,836
Structural Steel/ TMT	134,561	108,945	25,616
Ferro Alloys	24,722	28,358	(3,636)
Pellets	1,661,150	537,920	1,123,230
Pig Iron	221,141	73,700	147,441

Sales Data (MT)–

Particulars	FY'2020	FY'2019	Increase / (Decrease) (+)/(-) Variance
Sponge Iron	699,354	580,240	119,114
Billets	76,580	32,442	44,138
Structural Steel / TMT	126,318	98,098	28,220
Ferro Alloys	22,813	25,173	(2,360)
Pellets	774,078	81,647	692,431
Pig Iron	34,431	7,761	26,670

During the year under review, the Company's revenue from operations was ₹2638.16 crores as against ₹1879.41 crores in the previous year. The Company's loss before depreciation, interest and tax was ₹ 17.85 crores in the financial year ended 31 March 2020 as opposed to profit before depreciation, interest and tax of ₹27.68 crores in the immediate preceding year.

Taking into account depreciation and interest costs, loss before tax (LBT) stood at ₹ 488.16 crores as against LBT of ₹ 3461.11 crores in the previous year and total comprehensive loss for the year was ₹ 491.81 crores as against total comprehensive loss of ₹ 3494.15 crores in the previous financial year.

During the year under review, there were no exceptional items as against ₹2767.92 crores in the year ended on 31 March 2019.

Consolidated:

During the year under review, the Company's consolidated revenue from operations was ₹2638.16 crores as against ₹1879.41 crores in the previous year. Further, in the financial year ended 31 March 2020, loss before tax (LBT) was ₹ 492.00 crores as against LBT of ₹ 3552.24 crores in the previous year and loss after tax was ₹ 492.00 crores against loss after tax ₹ 3552.24 crores in the previous financial year.

The performance and financial position of the subsidiary companies and joint ventures is included in the consolidated financial statement for the financial year under review.

3. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT

The outbreak of COVID-19 pandemic in the financial year under review has not been contained on the contrary its severity has been increased all over the globe including India, severally impacting economy. The impact of COVID-19 pandemic is detailed under Management Discussion and

Analysis Report (Annexure - 8 of the report). Apart from COVID-19 pandemic impact which may affect the financial position of the Company, there are no other material changes and commitments affecting the financial position of the Company required to be reported under this section.

4. DIVIDEND AND RESERVES

In view of the losses incurred by the Company, the Board of Directors of the Company have not recommended any dividend for the financial year under review. As the Company has incurred losses during the year, no amount has been transferred to Reserves.

5. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on 31 March 2020, the Company has four subsidiaries (including 2 step-down subsidiaries) and four joint ventures.

During the financial year under review, the Company has sold and transferred the entire equity shareholding held by it in Monnet Sports Foundation and Chomal Exports Private Limited to M/s Champak Corporate Services Private Limited ('the Acquirer'),consequently both these companies ceased as the subsidiaries of the Company with effect from 15 January 2020.

The consolidated financial statements presented by the Company include financial information of its subsidiaries and joint ventures prepared in compliance with applicable Ind-AS. The consolidated financial statement does not include financials of Monnet Power Company Limited (MPCL), which ceased to be an associate of the Company w.e.f. 23 October 2019, upon initiation of its liquidation as per provisions of the Insolvency and Bankruptcy Code, 2016 and order issued by National Company Law Tribunal. The Company has written off its investment in MPCL during previous financial year.

A gist of financial highlights/performance of these Companies is contained in Form AOC-1 and forms part of this report and annexed as **Annexure-1.** The separate audited/unaudited financial statements of these subsidiaries, as case may be, are available on the website of the Company viz www.aionjsw.in.

The annual financial statements of the subsidiary companies are open for inspection by any shareholder at the Company's Registered Office situated at Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh -492101 and the Company will make available these documents and the related detailed information upon request by any shareholder of the Company or any shareholder of its subsidiaries, joint ventures companies who may be interested in obtaining the same. Also, the standalone financial statements, consolidated financial statements and financial statements of subsidiaries are available on the website of the Company viz www.aionjsw.in.

Further, the consolidated financial statements of the Company and its subsidiaries and joint ventures for the year under review is prepared in compliance with the applicable provisions of the Companies Act, 2013, Indian Accounting Standards (Ind-AS) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations, 2015") which forms part of the Annual Report.

6. SHARE CAPITAL

As on 31 March 2020, the authorized capital of the Company was ₹15,50,00,00,000/- (Rupees one thousand five hundred and fifty crores only) and the paid up capital stands at ₹ 9,95,52,75,340/- (Rupees nine hundred and ninety-five crores fifty-two lakhs seventy five thousand three hundred and forty only) consisting of 46,95,47,534 equity shares of ₹ 10 (Rupees ten) each and 52,59,80,000 Compulsory Convertible Preference Shares of ₹10 (Rupees ten) each.

There was no change in share capital of the Company during the financial year under review.

7. DEBENTURES

During the financial year under review, the Company has not issued or allotted any Debentures and does not have any outstanding Debentures.

During the year under review, 9,200 Secured Redeemable Non-Convertible Debentures (NCDs) of ₹10,00,000/- each of the Company were delisted from the stock exchange i.e. BSE Limited.

8. CREDIT RATING

During the year under review CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited) in the month of April 2019 had assigned the credit rating of "A-" Stable for long term bank facilities (term loan & fund based-cash credit) and "A- Stable/A2+" for non-fund based long/short term bank facilities bank guarantees of the Company.

However, CARE Ratings Limited in the month of March 2020 revised the credit ratings of the Company to "BBB+" Stable for long term bank facilities (term loan & fund based-cash credit) and "BBB+; Stable/A2" for non-fund based long/short term bank facilities bank guarantees of the Company.

9. PUBLIC DEPOSITS

The Company has not accepted or renewed any public deposits during the period under review. It has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Companies Act, 2013 and Rules made there under. Therefore, it is not required to furnish information in respect of outstanding deposits under non-banking, non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year, there are no significant or material orders passed by the Regulators/ Courts/ Tribunals that could impact the going concern status of the Company and its future operations.

Further, members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the financial statements.

11. INTERNAL CONTROLS, AUDIT AND INTERNAL FINANCIAL CONTROLS

Internal control systems are integral to the Company's corporate governance. The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliances as well as an enhanced control consciousness.

The Board / management are of the opinion that based on the knowledge/ information gained by them about affairs of the Company from records of the Company, the Company has effective internal financial control systems and policies and such controls are operating effectively.

The internal control systems include documented policies, checks and balances, guidelines and procedures, that are supplemented by robust internal audit processes and monitored continuously through periodical reviews by management to provide reasonable assurance that all assets are safeguarded; and all transactions entered into by Company are authorized, recorded and reported properly.

Internal Audit plan and execution

The Internal Audit function prepares audit plan which is approved by the Audit Committee. The frequency of the audit is decided by risk ratings of areas/functions. The audit plan is carried out by the internal team and reviewed periodically to include areas that have assumed significant importance in line with the emerging industry trend and the aggressive growth of the Company. In addition, the Audit Committee also places reliance on internal customer feedback and other external events for inclusion into the audit plan. Significant observations, if any, of Internal Auditor are reported to the Audit Committee every quarter.

Internal financial controls

The Company has sound internal controls including internal financial control framework which is commensurate with the size, scale and nature of business of the Company. The framework includes entity-level policies, processes and Standard Operating Procedures (SOP). During the year under review the Company has implemented SAP ERP system at its Raigarh unit from 1 August 2019 as a part of strengthening the internal control and internal financial control framework. The Audit Committee of the Board of Directors, regularly reviews audit plans, significant audit findings, adequacy of internal controls and compliance with Accounting Standards, etc. The Company has also strong internal audit process and the internal auditor reports to the Audit Committee on regular basis with audit findings and the audit plans. The internal audit team has access to all information in the organization and this process is largely facilitated by ERP implementation in the Company.

The Internal control systems and procedures are designed to assist in the identification and management risks, the procedure-led verification of all compliances as well as enhanced control consciousness. During the financial year under review the controls were tested and no reportable material weakness in design and effectiveness was observed.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As on 31 March 2020 the Board of Directors of the Company consists 1 Whole-time Director (Executive), 3 Independent Directors and 4 Non- Executive Directors of the Company, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. During the year under review, there was no change in the composition of the Board of Directors.

In accordance with the provisions of section 152 of the Companies act 2013 and Articles of association of the Company Mr. Nikhil Gahrotra and Mr. Kalpesh Kikani, Directors, retires by rotation at the forthcoming Annual General Meeting and being eligible offered themselves for re-appointments. Your Board recommends their re-appointment.

The details of profile, experience, other directorships, etc. in respect of Mr. Nikhil Gahrotra and Mr. Kalpesh Kikani, as required under Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard -2 is annexed to the Notice of forthcoming 30th Annual General Meeting of the Company.

There were no changes in the Key Managerial Personnel of the Company during the year under review.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

(a) in the preparation of the annual accounts for the financial year ended 31 March 2020, the applicable accounting standards have been followed and a proper explanation has been provided in relation to any material departures;

(b) such accounting policies have been applied consistently (except for the change in the method of valuation of inventory from First in First Out to Weighted Average during the current year w.e.f. 1 August 2019) and made judgments and estimates that are reasonable and prudent so as to give a reasonably true and fair view of the state of affairs of the Company at the end of the financial year ended 31 March 2020 and of the loss of the Company for the year;

(c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts for the financial year ended 31 March 2020 have been prepared on a going concern basis;

(e) internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

(f) proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

14. ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations 2015, the Board has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors ("the Performance Evaluation Policy").

For the financial year under review, the performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board carried out an annual performance evaluation of its own performance, the performance of the Independent Directors individually as well as the evaluation of the working of the Committees of the Board.

Details of the same are given in the report on Corporate Governance annexed hereto.

15. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year under review, four (4) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between these Meetings was within the period prescribed under the Companies Act, 2013 and Regulations 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

16. COMMITTEES OF THE BOARD

Your Company has duly constituted the Committees as required under the Companies Act, 2013 read with applicable Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

At present following are the Committees of the Board;

a. Audit Committee

b. Nomination and Remuneration Committee

c. Stakeholders Relationship Committee

d. Corporate Social Responsibility Committee

e. Finance Committee

f. Business Responsibility Reporting (BRR) and International Trade Practice Committee

The details of composition of each Committee, terms of the reference and number of meetings held during the year under review are given in the Corporate Governance Report, annexed to this report.

17. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each Independent Directors who are part of Board confirming that;

a) he/she meets the criteria of Independence as laid out in Section 149(6) of the Companies Act, 2013 read with the Schedules, rules made there under and Regulation 25 of SEBI Listing Regulations, 2015 and

b) registered themselves with the Independent Directors' Databank as per the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

18. NOMINATION AND REMUNERATION POLICY

Pursuant to the SEBI Listing Regulations 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of Directors has put in place the Nomination and Remuneration policy of the Company.

The details of the policy are explained in the Corporate Governance Report which forms part of this Annual Report.

The Nomination and Remuneration Policy, as approved by the Board of Directors, is also hosted on the website of the Company viz:-https://www.aionjsw.in/investors/policies.

19. VIGIL MECHANISM CUM WHISTLE BLOWER POLICY

The Company has a vigil mechanism named as Vigil Mechanism Cum Whistle Blower Policy, to deal with instances of fraud and mismanagement, if any. Details of the same are given in the Corporate Governance Report. The policy is available on the website of the Company viz:-https://www.aionjsw.in/investors/policies.

20. RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPT) that were entered into by the Company during the financial year under review were on an arm's length basis and in the ordinary course of business and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. Further, there are no material related party transactions during the year under review with any related party. All related party transactions are mentioned in the notes to the accounts. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

The policy on "Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions" ('the Policy'), as approved and amended by the Board of Directors has been uploaded on the website of the Company viz : https://www.aionjsw.in/investors/policies. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of RPT, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All RPT are placed before the Audit Committee for review and approval.

Prior omnibus approvals are obtained for related party transactions that are of repetitive nature and / or entered in the ordinary course of business and are at arm's length, in compliance with applicable provisions. The statement giving details of all Related Party Transactions are placed before the Audit Committee / the Board for review and approval on a quarterly basis.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Investments, Loans and Guarantees as covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

22. CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Board of the Company has formed Corporate Social Responsibility ("CSR") Committee. The policy on CSR as approved by the Board of Directors is also hosted on the website of the Company i.e. https://www.aionjsw.in/investors/policies.

Pursuant to Section 135 of the Companies Act, 2013 read with CSR policy of the Company, it is required to spend two percent of the average net profit of the Company for three immediately preceding financial year. As the average net profit of the Company during previous three financial years is negative, the Company is not required to spend any amount for the CSR purpose during the year under review.

Annual Report on mandatory CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, have been annexed as **Annexure-2** and forms integral part of this Report.

23. AUDITORS

a) Statutory Auditor

At the 29th Annual General Meeting ("AGM") of the Company held on 19 July 2019, members of the Company had approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountant, Mumbai, (Registration Number 117366W/W-100018) as the statutory auditor for a period of 5 years with effect from the conclusion of the ensuing 29th AGM till the conclusion of 34th AGM of the Company.

The Auditors have audited standalone and consolidated financial statements of the Company for the financial year ended 31 March 2020 and no fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on 17 May 2019 has appointed M/s S. Srinivasan & Co., a Company Secretaries firm to conduct a secretarial audit of the Company for the financial year 2019-2020. The Report of the Secretarial Audit carried out for the financial year 2019-2020 is annexed herewith as **Annexure -3**.

The report does not contain any qualification, reservation or adverse remark or disclaimer requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Board, at its meeting held on 18 May 2020 has re-appointed M/s S. Srinivasan & Co., a Company Secretaries Firm Practicing Company Secretaries, as Secretarial Auditor, for conducting Secretarial Audit of the Company for financial year 2020-2021.

c) **Cost Auditor**

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor.

Accordingly, the Board, at its meeting held on 18 May 2020, on the recommendation of the Audit Committee, has appointed M/s. Shome & Banerjee, Cost Accountants (Firm Reg. No. 00001) to conduct the audit of the cost accounting records of the Company for financial year 2020-2021 on a remuneration of ₹3,00,000/- plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.

The due date for filing the Cost Audit Report of the Company for the financial year ended 31 March 2019 was 30 September 2019 and the Cost Audit Report was filed in XBRL mode on 22 August 2019.

24. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARDS

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the financial year under review the Company was in compliance with Secretarial Standards i.e. SS- 1 and SS- 2 relating to "Meetings of Board of Directors" and "General Meetings" respectively.

25. RISK MANAGEMENT

The Company has a Risk Management Policy of the Company duly adopted by the Board of Directors.

The Company recognizes that the emerging and identified risks need to be managed and mitigated to;

- protect its shareholders and other stakeholder's interest,
- achieve its business objective and
- enable sustainable growth.

The Board oversees the Enterprise Risk Management framework to ensure –

- execution of decided strategies with focus on action;
- monitoring risks arising out of unintended consequences of decisions or actions related to performance, operations, compliance, incidents, processes and systems, transactions and the same are managed appropriately.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed as **Annexure –4** hereto and forms an integral part of this Report.

27. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details of the employees as required under Section 197(12) of the Companies Act 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this report as **Annexure -5 and 6**.

28. EXTRACT OF ANNUAL RETURN

In accordance with the provisions of the Companies Act, 2013 and amendment thereto, the extract of the annual return in Form No. MGT – 9 is annexed as **Annexure-7** and same is hosted on the website of the Company https://www.aionjsw.in/investors/mgt9.

29. MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report and annexed as **Annexure-8**.

Certain statements in the 'Management Discussion and Analysis' section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which would be different from what the Directors envisage in terms of the future performance and outlook. Investors are cautioned that this discussion contains forward looking statement that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, dependence on certain businesses, dependence on availability of qualified and trained manpower and other factors discussed. The discussion and analysis should be read in conjunction with the Company's financial statements and notes on accounts.

30. BUSINESS RESPONSIBILTY REPORTING

The Securities and Exchange Board of India ('SEBI') pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendments) Regulations, 2019, mandated top 1000 listed Companies (by market capitalization) to include Business Responsibility Report (BRR) as a part of the annual report of the Company from financial year 2019-2020 onwards.

The Company is committed to pursuing its business objectives ethically, transparently and with accountability to all its stakeholders. The Company believes in demonstrating responsible behavior while adding value to the society and the community, as well as ensuring environmental well-being with a long-term perspective.

BRR for the financial year 2019-2020 forms part of this Annual Report as **Annexure 9**.

31. CORPORATE GOVERNANCE REPORT

The Company constantly endeavours to follow the corporate governance guidelines and best practice sincerely and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company. Your Company has complied with the requirements of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding corporate governance.

A report on the Corporate Governance practices followed by the Company, together with a certificate(s) regarding compliance is given as an **Annexure-10** to this report.

32. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION PROHIBITION AND REDRESSAL) ACT, 2013

The Company has laid down Anti Sexual Harassment policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, apprenticeship) are covered under this policy. No complaints pertaining to sexual harassment were received or pending to be resolved by the Company in this respect, during financial year 2019-2020.

33. OTHER DISCLOSURES / REPORTING

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme or ESOPs;
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries;

34. ACKNOWLEDGEMENT

The Directors wish to place on record their gratitude to the authorities, banks, business associates, shareholders customers, dealers, agents, and suppliers for their unstinted support, assistance and co-operation and faith reposed in the Company. The Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

By order of the Board
For **Monnet Ispat and Energy Limited**

Jyotin Mehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 18 May 2020

Annexure-1

FORM NO. AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in ₹)

Sl. No.	1	2	3	4	
Name of the subsidiary	Monnet Cement Limited	Monnet Sport Foundation (upto 15 Jan 2020)	Chomal Exports Private Limited (upto 15 Jan 2020)	Monnet Global Limited	
Date since when subsidiary was acquired	29 November 2007	12 December 2011	31 December 2010	17 September 2005	
Reporting period for the subsidiary concerned	Same	Same	Same	Same	
Reporting Currency and exchange rate as on last date of the financial year in case of foreign subsidiaries	Rupees	Rupees	Rupees	Rupees	US Dollar
Share capital	21,900,000	100,000	954,000	377,517,284	5,007,797
Reserves and surplus	(20,218,239)	-	-	(4,158,159,701)	(55,158,321)
Total asset	1,711,889	-	-	372,152,272	4,936,630
Total liabilities	30,128	-	-	4,152,794,714	55,087,154
Investments	-	-	-	-	-
Turnover	-	-	-	-	-
Profit before taxation	(587,774)	-	-	(40,696,284)	(563,052)
Provision for taxation	-	-	-	-	-
Profit after taxation	(587,774)	-	-	-	-
Proposed Dividend	-	-	-	-	-
% of shareholding	100.00%	64.15%	51.00%	100.00%	

Additional Disclosure

Subsidiaries Yet to commence Operations	Monnet Cement Limited Monnet Global Limited
Subsidiaries Liquidated or Sold during the Year	Monnet Sport Foundation (upto 15 January 2020) Chomal Exports Private Limited (upto 15 January 2020)

Annexure-1

Part "B": Associates/Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates/Joint Ventures	MP Monnet Mining Company Limited	Mandakini Coal Company Limited	Urtan North Mining Company Limited	Monnet Ecomaster Enviro Private Limited	Monnet Power Comapny. Limited
1.	Latest audited Balance Sheet Date	31 Mar 2020	31 Mar 2020	31 Mar 2020	31 Mar 2020	
2.	Date on which the Associate or Joint Venture was associated or acquired	20 Jun 2009	14 Mar 2008	4 Mar 2010	29 Mar 2011	
3.	Shares of Associate/Joint Ventures held by the company on the year end					
a)	No.	980000	39300000	5751347	14211363	
b)	Amount of Investment in Associates/Joint Venture	9,800,000	393,000,000	57,513,470	142,113,630	
c)	Extend of Holding %	49.00%	33.33%	33.33%	50.00%	
4.	Description of how there is significant influence	% of shareholding	% of shareholding	% of shareholding	% of shareholding	(Refer Note -1 below)
5.	Reason why the associate/joint venture is not Consolidated	N.A.	N.A.	N.A.	N.A.	
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	5,392,840	678,570,312	162,932,745	(170,252,920)	
7.	Profit / Loss for the year					
	i. Considered in Consolidation	(25,558)	(560,470)	-	(59,445,018)	
	ii. Not Considered in Consolidation	(27,123)	(1,120,940)	-	(59,445,018)	
Total		**(52,682)**	**(1,681,410)**	**-**	**(118,890,036)**	

Note -1: Statement does not include information of Monnet Power Company Limited (MPCL), which ceased to be an associate of the Company w.e.f. 23 October 2019, upon initiation of its liquidation as per Insolvency and Bankruptcy Code for liquidation of the Corporate Debtor.

Additional Disclosure

Associates/Joint ventures Yet to commence Operations	MP Monnet Mining Company Limited Mandakini Coal Company Limited Urtan North Mining Company Limited
Associates/Joint ventures Liquidated or Sold during the Year	See note 1 above.

For and on behalf of the Board
For **Monnet Ispat and Energy Limited**

J. Nagarajan
Chief Financial Officer

Ajay Kadhao
Company Secretary

Nikhil Gahrotra
Director
DIN: 01277756

Ravichandar Moorthy Dhakshana
Whole-Time Director
DIN: 03298700

Place: Mumbai
Date: 18 May 2020

Annexure-2

Annual Report on Corporate Social Responsibility ("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 projects or programs-**

   The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is www.aionjsw.in.

   The Company has decided to focus on the complete life cycle approach where women shall be empowered in such a way that they become strong positive force of change. In line with the approach and strategy, the Company plans interventions in the field of health, education, livelihood, vocational education, women empowerment, environment sustainability and responsible citizenship.

   The key thematic interventions as per the Schedule VII of the Companies Act 2013 include:

   a) Improving living conditions (eradicating hunger, poverty, malnutrition, etc.);
   b) Promoting social development (promoting education, skill development, livelihood enhancement, etc.);
   c) Addressing social inequalities (promoting gender equality, women empowerment, etc.);
   d) Ensuring environmental sustainability;
   e) Preserving national heritage;
   f) Sports training;
   g) Supporting technology incubators in central government approved academic institutes;
   h) Rural development projects;

   Pursuant to Section 135 of the Companies Act, 2013 read with CSR policy of the Company, the Company is required to spend two percent of the average net profit of the Company for three immediately preceding financial years. The average net profits of the Company for proceeding three financial years was ₹ (917.54) crores. Therefore it is not mandatory to incur CSR expenses as per the provisions of the Companies Act 2013. However, the Company has undertaken some voluntary CSR activities during the financial year 2019-2020 as under;

   a) Raigarh Unit of the Company has provided free health checkup camps, free ambulance facility, conducted women safety and awareness programs, stitching classes for women, provided subsidized education for students in Raigarh and nearby villages for upliftment of socially and economically backward communities.

   b) Raipur Unit of the Company has also undertaken voluntary CSR activities like providing education and school bus, providing medicines and first aids to nearby villages, paid electricity charges for street lights in nearby village.

2. **The Composition of the CSR Committee.**

   During the year Corporate Social Responsibility (CSR) Committee was re-constituted, Mr. Jyotin Mehta, Non-Executive Independent Director was appointed as the member of the CSR Committee w.e.f 30 March 2020. As at 31 March 2020, the composition of CSR Committee was as under:

Name of Members	DIN	Composition of the CSR Committee
Mr. Nikhil Gahrotra	01277756	Chairman
Mr. Jyotin Mehta	00033518	Member
Mrs. Sutapa Banerjee	02844650	Member
Mr. Ravichandar Moorthy Dhakshana	03298700	Member

3. **Average net profit of the company (as per Section 198 of the Companies Act 2013) for the last three financial years-** ₹ (917.54) crores.

4. **Prescribed CSR Expenditure (two % off the amount as in item 3 above)** - N.A.

5. **Details of CSR spent during the financial year**

   a. Total amount to be spent for the financial year - N.A.

   b. Amount unspent, if any: - N.A.

Annexure-2

c. Manner in which the amount spent during the financial year is detailed below.

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 program was undertaken	Amount outlay (Budget) Project/ program wise	Amount spent on the projects or programs sub heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
-Not Applicable-							

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report: N.A.

7. The responsibility statement of the CSR Committee of the Board:
The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

By Order of the Board
For **Monnet Ispat and Energy Limited**

Nikhil Gahrotra
Chairman of CSR committee
DIN: 01277756

Ravichandar Moorthy Dhakshana
Whole-Time Director
DIN: 03298700

Place: Mumbai
Date: 18 May 2020

Annexure-3

FORM NO. MR- 3

Secretarial Audit Report
for The Financial Year Ended 31st March, 2020

[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,
MONNET ISPAT AND ENERGY LIMITED
MONNET MARG, MANDIR,
HASAUD RAIPUR
CT 492101.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MONNET ISPAT AND ENERGY LIMITED** bearing CIN: L02710CT1990PLC009826 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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 authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 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.

Due to unprecedented lockdown imposed in the country caused by COVID-19 at a crucial time when the audit was underway limiting the availability of physical access to the records of the Company, and which lockdown continues even on the date of signing this report, we have examined in the best possible manner, through the virtual platform, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, 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 there under;

iii. The Depositories Act, 1996, and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999, and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (wherever applicable);

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as may be appropriately applicable for the period under review:

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

      The provisions of the said regulations are not applicable to the Company during the year under review.

   e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;

      The provisions of the said regulations are not applicable to the Company during the year under review.

   f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,

      The provisions of the said regulations are not applicable to the Company during the year under review.

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

      The provisions of the said regulations are not applicable to the Company during the year under review.

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

      The provisions of the said regulations are not applicable to the Company during the year under review.

Annexure-3

vi. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws.

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

a. Secretarial Standards

The Secretarial Standards namely, SS-1, SS-2 and SS-3 issued and notified by the Institute of Company Secretaries of India have been generally complied with by the Company during the financial year under review.

b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with the applicable clauses of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the acts, rules, regulations, guidelines, standards, etc. mentioned above to the extent where such records have been examined by us.

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. There were no changes in the composition of the Board of Directors during the year under review.

Adequate notices are 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 in the Board Meetings and that of its Committee and there were no dissenting members' view in any of the meetings.

We further report that:

Based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary/ Chief Financial Officer/ Whole-time Director taken on record by the Board of Directors of the Company, in our opinion 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.

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that, during the audit period, there are no specific events/ actions occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.

For **S. Srinivasan & Co.,**
Company Secretaries
Sd/-

S. Srinivasan
Practicing Company Secretary
FCS: 2286 | CP. No.: 748
UIN: S1984TN002200

Place: Chennai
Date: 15.05.2020

Annexure-A

To,

The Members,
MONNET ISPAT AND ENERGY LIMITED
Monnet Marg, Mandir,
Hasaud Raipur
CT 492101.

Our Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is partially limited to virtual examination based on inputs provided by the management in soft copies. Any material deviation or non-compliance which may have occurred during the year under review and which may come to light later on, on the examination of the physical records can be addressed, if appropriate and found necessary, in the next Secretarial Audit Report, which report may be construed as an addendum to this report to that extent.

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **S. Srinivasan & Co.,**
Company Secretaries
Sd/-

S. Srinivasan
Practicing Company Secretary
FCS: 2286 | CP. No.: 748
UIN: S1984TN002200

Place: Chennai
Date: 15.05.2020

Annexure-4

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (ACCOUNTS) RULES, 2014

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31 March 2020 is given below and forms part of the Directors' Report.

A. Conservation of Energy

During the financial year under review, the Company has taken shut down of its plants, other than the Pellet plant and the DRI plant, located at Raigarh (Chhattisgarh) with effect from 21 June 2019 for the purpose of modification of plant and machinery apart from for general maintenance. Subsequent to the completion of modifications and general maintenance, the integrated steel production at the Raigarh Plant of the Company was restarted with effect from 2 March 2020. DRI plant and steel operations at Raipur locations were in operation.

During the financial year under review, in view of nationwide lockdown advisory announced by the Government of India and other authorities to contain the spread of Corona Virus disease (COVID-19), and with an objective to ensure the safety and health of the employees and their families, at all its offices and manufacturing locations the Company temporarily suspended all the manufacturing operations of its plants situated at Raipur and Raigarh both located in the State of Chhattisgarh with effect from 25 March 2020.

During the financial year under review, the Company has taken various steps and measures to improve efficiency in use of energy and optimize conservation of the energy by increasing the efficiency of raw material inputs in power generation and by reducing/ eliminating wastages and reducing consumption of power and fuel. Conservation of energy and improving the efficiency of existing resources is continuing processes and form an integral part of responsibilities of departmental heads of the Company.

Alternative source of energy: The Company also uses the alternative source of energy at its plant depending upon its availability. Since the Company is incurring losses for more than the last three financial years, the company has not made any investment towards alternative source of energy. However, the possibility of use of solar power is being explored towards fulfilling this requirement.

Capital investment on energy conservation equipment's: Post implementation of approved Resolution plan and also losses incurred for more than the last three financial years, the Company has not made any major capital investments on energy conservation equipment however marginal investment has been made to adopt more efficient LED lighting system in place of conventional lighting system. At Raipur plant about 50 to 55 % of lighting has already been replaced by efficient LED lighting system. Similarly at Raigarh location use of LED lighting system increased from 45% to 60%. Going forward the Company is expected to make necessary investment in this regard, as may be required.

B. Technology Absorption

Efforts are being made in technology absorption.	At Raipur plant - Initiative has been taken to further reduce the energy consumption of major equipment's by adopting more efficient technologies like Cora Coating of Cooling Water Pump casing and impeller which will be implemented soon. At Raigarh plant – Implementation of Variable Frequency Drive (VFD) is planned.
Benefits derived as a result of the above efforts	The above measures will provide saving of power consumption. However no major benefits derived in FY 2019-2020.
Information relating to imported Technology **-The details of technology imported** **-The year of import** **-whether the technology been fully absorbed** **-if not fully absorbed, areas where absorption has not taken place, the reasons thereof**	No import of technology during the last three years.
Expenditure incurred on Research and Development.	N.A

C. Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows, during financial year 2019-2020 are as follow:-

(in ₹ crores)

Total Foreign Exchange used and earned	2019-2020	2018-2019
- Used	306.10	126.54
- Earned	246.47	76.29

By Order of the Board
For **Monnet Ispat and Energy Limited**

Jyotin Mehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 18 May 2020

Annexure-5

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

The ratio of the remuneration of each director to the median remuneration of the employees of the Company	Name	Designation	The ratio of the remuneration of each director to the median remuneration of employees
	@Jyotin Mehta	Non-Executive Independent Director	1.57
	@Anuradha Ambar Bajpai	Non-Executive Independent Director	1.49
	*Kalpesh Pankaj Kikani	Non-Executive & Non-Independent Director	NA
	*Nikhil Omprakash Gahrotra	Non-Executive & Non-Independent Director	NA
	Ravichandar Moorthy Dhakshana	Whole-time (Executive) Director	60.01
	*Sanjay Kumar	Non-Executive & Non-Independent Director	NA
	*Seshagiri Rao MVS	Non-Executive & Non-Independent Director	NA
	@Sutapa Banerjee	Non-Executive Independent	0.94
	*Non-Executive & Non-Independent Directors neither received any remuneration from the Company nor were paid any sitting fees for attending the meetings. @Independent Directors were not paid any remuneration except the sitting fees for attending meeting of Board and Committees.		

The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name	Designation	Percentage increase in remuneration
	Ravichandar Moorthy Dhakshana	Whole-time (Executive) Director	9.25
	J Nagarajan	Chief Financial Officer	29.12
	Ajay Kadhao	Company Secretary	3.40
	Non-Executive & Non Independent Directors do not receive any remuneration from the Company, hence not applicable. Non-Executive Independent Directors do not receive any remuneration from the Company except sitting fees for attending meeting of Board and Committees thereof, hence not applicable.		

The percentage increase in the median remuneration of employees in the financial year	21.15% increase in median employee's remuneration. For calculating median employee remuneration employees who were in employment for the whole of the financial year 2019-2020 are considered.
The number of permanent employees on the rolls of Company	2,255
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 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	During the year, average increase in the remuneration of employees excluding managerial personnel, was 10.53% and 9.25% for Managerial Personnel which includes Whole-time (Executive) Director.
Affirmation that Remuneration paid by the company is as per the Remuneration policy of the Company	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

By Order of the Board
For **Monnet Ispat and Energy Limited**

Jyotin Mehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 18 May 2020

Annexure-6

PARTICULARS OF EMPLOYEES DRAWING REMUNERATION IN EXCESS OF THE LIMITS SET OUT IN RULE 5(2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

A. Particulars of employee who was in receipt of remuneration of ₹ 1.02 crores, and employed throughout the financial year.

Sr. No.	Name	Designation	Remuneration received (In ₹ crores)	Qualifications	Total No. of Years' experience	Date of commencement of current employment	Age as on Financial year end	Last employment held, if any
1	Ravichandar Moorthy Dhakshana	Whole-time Director	1.53	BE (Mechanical), BE (Electrical), Diploma (Finance)	41	31 August 2018	63	JSW Steel Limited
2	J. Nagarajan	Associate Vice President	1.05	ICWA, CA	19	21 January 2019	43	JSW Steel Limited

B. Details of the top ten employees in terms of remuneration drawn

Sr. No.	Name	Designation	Remuneration received (In ₹ crores)	Qualifications	Total No. of Years' experience	Date of commencement of current employment	Age as on Financial year end	Last employment held, if any
1	B. Mohapatra	Chief (Raipur Plant)	0.95	B.E (Mechanical),	30	21 July 2011	53	Jindal India Thermal Power Limited
2	Vimal Singh	Vice President	0.79	BE	26	01 April 2019	50	JSW Steel Limited
3	Jyoti Vivek Mishra	General Manager	0.73	CA	25	01 April 2019	51	Ind Synergy Limited
4	Anand Vishnu Khandekar	Associate Vice President	0.71	BE	32	01 April 2019	58	JSW Steel Limited
5	Sathya Murthy P	Vice President	0.70	BE	29	01 April 2019	53	JSW Steel Limited
6	Sanjay Kumar Garodia	General Manager	0.70	CA, Company Secretary, ICWA	25	01 June 2019	51	JSW Steel Limited
7	Guru Prasad Choudhary	Vice President	0.59	B.TECH (MINING), PGDIM	32	14 July 2012	55	Era Infra Engineering Limited
8	B M Nanda	General Manager	0.51	B.E (Mechanical)	35	01 April 2019	57	JSW Steel Limited
9	Inderjit Singh Chauhan	Associate Vice President	0.49	M.Sc, M.Phil	38	01 April 2019	58	Defence Services
10	Jay Prakash Singh	General Manager	0.46	MBA (HRM)	24	01 April 2019	48	APL Apollo Tubes Limited

Notes:

a) Except as stated above in point "A" the Company has no employees who were in receipt of remuneration more than ₹ 1.02 crores who employed throughout the Financial Year or draws remuneration at a rate of above ₹ 8.50 Lakhs per month, and worked for the part of the year.

b) None of the above employees/Director is related to any Director of the Company.

c) The nature of employment in all cases is contractual.

d) The Company has no employee who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% percent of the equity shares of the company.

e) The Company has no employees posted and working in a country outside India.

By Order of the Board
For **Monnet Ispat and Energy Limited**

Jyotin Mehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 18 May 2020

Annexure-7

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March 2020

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L02710CT1990PLC009826
2.	Registration Date	01 February 1990
3.	Name of the Company	Monnet Ispat and Energy Limited
4.	Category/Sub-category of the Company	Public Company Limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101 Ph.: 0771-2471334 to 339 Fax: 0771-2471250 Email: isc_miel@aionjsw.in Website: www.aionjsw.in
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi, 110020. Ph.: 011-41406149 Fax: 011-41709881 Email: admin@mcsregistrars.com Website: www.mcsregistrar.com

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Steel	241	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY:

S. No.	Name and Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Sections
1.	Creixent Special Steels Limited QR No. 50-51, Park Avenue Colony, Jindal Road, Dhimrapur, Raigarh Chhattisgarh 496001.	U27209CT2018PLC008397	Holding	48.12	Section 2(87)(i)
2.	Monnet Cement Limited Monnet House 11, Masjid Moth, Greater Kailash, Part-II, New Delhi-110048.	U26941DL2007PLC170880	Subsidiary	100.00	Section 2(87)
3.	# Monnet Sports Foundation 11, Masjid Moth Greater Kailash - II New Delhi-110048.	U74900DL2011NPL228633	Subsidiary	64.15	Section 2(87)
4.	# Chomal Exports Private Limited 4065, Sec-C, Pocket-IV, Vasant Kunj, New Delhi-110070.	U74899DL1990PTC042166	Subsidiary	51.00	Section 2(87)
5.	Monnet Global Limited LOB 15-117, PO Box-17870, Jebel Ali Freezone Authority, Dubai United Arab Emirates	Foreign Company	Subsidiary	100.00	Section 2(87)
6.	Pt Sarwa Sembada Karya Bumi Grand ITC Permata Hijau, Jl. Letjen Soepeno (Arteri Permata Hijau), Block Diamond No. 21, South Jakarta 12210 Indonesia	Foreign Company	Step Down Subsidiary	-	Section 2(87)
7.	LLC Black Sea Natural Resources Republic of Abkhazia, city Tkuarchal, Avenue Svobody, 79	Foreign Company	Step Down Subsidiary	-	Section 2(87)

Annexure-7

S. No.	Name and Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Sections
8.	@ Monnet Power Company Limited Monnet Marg Mandir Hasaud Raipur Chhattisgarh 492101.	U01403CT2007PLC020179	Associate	28.31	Section 2(6)
9.	MP Monnet Mining Company Limited Paryawas Bhawan, Block No. 1, IInd Floor (A), Jail Road, Arera Hills, Bhopal Madhya Pradesh 462001.	U10100MP2009SGC022639	Associate	49.00	Section 2(6)
10.	Mandakini Coal Company Limited Plot No. 12, Sector B-1, Local Shopping Complex Vasant Kunj New Delhi 110070.	U10100DL2008PLC175417	Associate	33.33	Section 2(6)
11.	Urtan North Mining Company Limited Jindal Centre 12, Bhikaiji Cama Place New Delhi 110066.	U10100DL2010PLC199690	Associate	33.33	Section 2(6)
12.	Monnet Ecomaister Enviro Private Limited Monnet House, 11, Masjid Morh, Greater Kailash, Part- II New Delhi 110048.	U74900DL2011PTC216741	Associate	50.00	Section 2(6)

Subsidiary of the Company upto 15 January 2020.

@ Ceased to be an associate of the Company w.e.f. 23 October 2019, upon initiation of its liquidation as per Insolvency and Bankruptcy Code for liquidation of the Corporate Debtor.

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year [As on 01 April 2019]				No. of Shares held at the end of the year [As on 31 March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	249649241	-	249649241	53.17	249649241	-	249649241	53.17	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	**249649241**	**-**	**249649241**	**53.17**	**249649241**	**-**	**249649241**	**53.17**	**-**
(2) Foreign									-
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	99461544	-	99461544	21.18	99461544	-	99461544	21.18	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	**99461544**	**-**	**99461544**	**21.18**	**99461544**	**-**	**99461544**	**21.18**	**-**
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	**349110785**	**-**	**349110785**	**74.35**	**349110785**	**-**	**349110785**	**74.35**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	-	495	495	-	-	-	-	-	-
b) Banks / FI	91100006	-	91100006	19.40	83118392	-	83118392	17.70	(1.70)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1906866	-	1906866	0.41	1682577	-	1682577	0.36	(0.05)
g) FIIs	1516939	-	1516939	0.32	1516939	-	1516939	0.32	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**94523811**	**495**	**94524306**	**20.13**	**86317908**	**-**	**86317908**	**18.38**	**(1.75)**

Annexure-7

Category of Shareholders		No. of Shares held at the end of the year [As on 01 April 2019]				No. of Shares held at the end of the year [As on 31 March 2020]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	Non-Institutions									-
a)	Bodies Corp.									-
i)	Indian	7464016	968	7464984	1.59	6769305	968	6770273	1.44	(0.15)
ii)	Overseas	1082957	5,280	1088237	0.23	1082957	5,280	1088237	0.23	-
b)	Individuals				-			-	-	-
i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh	11272953	91,055	11364008	2.42	13453103	-	13453103	2.87	0.44
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5641860	-	5641860	1.20	12,391,431	-	12391431	2.64	1.44
c)	Others (specify)									
i)	Non Resident Indians	307232	2,307	309539	0.07	350228	2307	352535	0.08	0.01
ii)	Co-operative Societies	99	-	99	-	99	-	99	-	-
iii)	NBFC registered with RBI	870	-	870	-	-	-	-	-	(-)
iv)	Trust	6,232	-	6,232	-	6,232	-	6,232	-	-
iv)	IEPF	36,614	-	36,614	0.01	56931	-	56931	0.01	-
Sub-total (B)(2):-		**25812833**	**99610**	**25912443**	**5.52**	**34110286**	**8555**	**34118841**	**7.27**	**1.75**
Total Public Shareholding (B)=(B)(1)+ (B)(2)		**120336644**	**100105**	**120436749**	**25.65**	**120428194**	**8555**	**120436749**	**25.65**	**-**
C. Shares held by Custodian for GDRs & ADRs		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)		**469447429**	**100105**	**469547534**	**100.00**	**469538979**	**8555**	**469547534**	**100.00**	**-**

Note: Previous year's figures are reclassified in lines with the current year figures as per the format of SEBI Listing Regulations and Companies Act, 2013.

B. Shareholding of Promoter and Promoter Group: -

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in shareholding 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	JSW Steel Limited	399	-	-	399	-	-	-
2	JTPM Atsali Limited	2,35,08,427	5.01	-	2,35,08,427	5.01	-	-
3	Creixent Special Steels Limited	22,59,34,607	48.12	24.36	22,59,34,607	48.12	24.36	-
4	JSW Techno Projects Management Limited	2,05,808	0.04	-	2,05,808	0.04	-	-
5	AION Investments Private II Limited	9,94,61,544	21.18	-	9,94,61,544	21.18	-	-
	Total	**34,91,10,785**	**74.35**	**24.36**	**34,91,10,785**	**74.35**	**24.36**	**0.00**

C. Change in Promoters' and Promoters' Group Shareholding-

During the year there is no change in the promoters' and Promoters' Group shareholding.

Annexure-7

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

S.No	Name	Shareholding		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year (31-03-19 to 31-03-20)	
		No of Shares at the Beginning (31-03-19) /end of the Year (31-03-20)	% of total shares of the Company	@ Date (DD/MM/YYYY)	Increase / Decrease in Shareholding	Reason	Shares	% of total shares of the Company
1	State Bank Of India	25478624	5.43		-	-	-	-
	At the end of the Year	25478624	5.43	31 Mar 2020	-	-	-	-
2	ICICI Bank Ltd	5879217	1.25		-	-	-	-
	At the end of the Year	5879217	1.25	31 Mar 2020	-	-	-	-
3	Punjab National Bank	4388228	0.93		-	-	-	-
	At the end of the Year	4388228	0.93	31 Mar 2020	-	-	-	-
4	UCO Bank	4212967	0.90		-	-	-	-
	At the end of the Year	4212967	0.90	31 Mar 2020	-	-	-	-
5	Oriental Bank of Commerce	4063763	0.87		-	-	-	-
	At the end of the Year	4063763	0.87	31 Mar 2020	-	-	-	-
6	Dena Bank	3950421	0.84		-	-	-	-
	At the end of the Year	3950421	0.84	31 Mar 2020	-	-	-	-
7	Union Bank of India	3918876	0.83		-	-	-	-
	At the end of the Year	3918876	0.83	31 Mar 2020	-	-	-	-
8	IFCI Limited	3638575	0.77		-	-	-	-
	At the end of the Year	3638575	0.77	31 Mar 2020	-	-	-	-
9	United Bank of India	3286728	0.70		-	-	-	-
	At the end of the Year	3286728	0.70	31 Mar 2020	-	-	-	-
10	Indian Overseas Bank	3668053	0.78		-	-	-	-
				05 Apr 2019	(678947)	Sale	2989106	0.64
	At the end of the Year	2989106	0.64	31 Mar 2020				
11	# IDBI Bank Limited	4825134	1.03					
				06 Sept 2019	(24739)	Sale	4800395	1.02
				13 Sept 2019	(45719)	Sale	4754676	1.01
				20 Sept 2019	(53629)	Sale	4701047	1.00
				27 Sept 2019	(111678)	Sale	4589369	0.98
				30 Sept 2019	(19639)	Sale	4569730	0.97
				04 Oct 2019	(55950)	Sale	4513780	0.96
				11 Oct 2019	(58523)	Sale	4455257	0.95
				18 Oct 2019	(54663)	Sale	4400594	0.94
				25 Oct 2019	(120718)	Sale	4279876	0.91
				01 Nov 2019	(202897)	Sale	4076979	0.87
				08 Nov 2019	(583091)	Sale	3493888	0.74
				15 Nov 2019	(169029)	Sale	3324859	0.71
				22 Nov 2019	(140555)	Sale	3184304	0.68
				29 Nov 2019	(231675)	Sale	2952629	0.63
				06 Dec 2019	(106067)	Sale	2846562	0.61
				13 Dec 2019	(25661)	Sale	2820901	0.60
				20 Dec 2019	(31456)	Sale	2789445	0.59
				27 Dec 2019	(525000)	Sale	2264445	0.48
				31 Dec 2019	(175000)	Sale	2089445	0.44
				03 Jan 2020	(325000)	Sale	1764445	0.38
				10 Jan 2020	(273665)	Sale	1490780	0.32
				17 Jan 2020	(491511)	Sale	999269	0.21
				24 Jan 2020	(302789)	Sale	696480	0.15
				31 Jan 2020	(253997)	Sale	442483	0.09
				07 Feb 2020	(252904)	Sale	189579	0.04
				14 Feb 2020	(189579)	Sale	-	-
	At the end of the Year	-	-	31 Mar 2020	-	-	-	-

Figures in bracket indicate sale of shares.

@ Based on the beneficiary positions as at end of the each week.

Ceased to be in the list of top ten shareholders as on 31 March 2020. The same is reflected above since the shareholders were one of the top ten shareholders as on 1 April 2019.

Annexure-7

E SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S. No.	Directors/ Key Managerial Personnel	Shareholding at the beginning of the year		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year	
		No. of shares held as on 01 Apr 2019	% of total shares of the company	Date of change in shareholding D/M/Y	No. Of shares increased/ decrease	Reasons for change	No. of shares held as on 31 Mar 2020	% of total shares of the company
1)	Jyotin Mehta	Nil	Nil	-	-	-	Nil	Nil
2)	Anuradha Bajpai	Nil	Nil	-	-	-	Nil	Nil
3)	Kalpesh Pankaj Kikani	Nil	Nil	-	-	-	Nil	Nil
4)	Nikhil Gahrotra	Nil	Nil	-	-	-	Nil	Nil
5)	Ravichandar Moorthy Dhakshana	Nil	Nil	-	-	-	Nil	Nil
6)	Sanjay Kumar	Nil	Nil	-	-	-	Nil	Nil
7)	Seshagiri Rao MVS	Nil	Nil	-	-	-	Nil	Nil
8)	Sutapa Banerjee	Nil	Nil	-	-	-	Nil	Nil
9)	Nagarajan Jambunathan (Chief Financial Officer)	Nil	Nil	-	-	-	Nil	Nil
10)	Ajay Kadhao (Company Secretary)	100	0.00	-	-	-	100	0.00

V. INDEBTEDNESS -

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

(in ₹ crores)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	2,073	125		**2,198**
ii) Interest due but not paid				**-**
iii) Interest accrued but not due		8		**8**
Total (i+ii+iii)	**2,073**	**133**	**-**	**2,206**
Change in Indebtedness during the financial year				**-**
* Addition	**333**	**102**		**435**
* Reduction				**-**
Net Change				**-**
Indebtedness at the end of the financial year				**-**
i) Principal Amount	2,405	214		**2,619**
ii) Interest due but not paid		-		
iii) Interest accrued but not due	1	21		**22**
Total (i+ii+iii)	**2,406**	**235**	**-**	**2641**

Annexure-7

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in ₹crores)

S. No.	Particulars of Remuneration	Ravichandar Moorthy Dhakshana	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.46	1.46
	(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	-	-
3	Sweat Equity	-	-
4	Gratuity	-	-
5	Commission		
	- as % of profit		
	- others, specify...	-	-
6	Others, please specify (Provident Fund)	0.06	0.06
	Total (A)	**1.53**	**1.53**
	Ceiling as per the Act	Section 196 and 197 read with Schedule V of the Companies Act, 2013 and as approved by the shareholders of the Company at the 28th Annual General Meeting.	-

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (in ₹ crores)
1	Independent Directors	@Jyotin Mehta	@Anuradha Bajpai	@Sutapa Banerjee		
	Fee for attending board & committee meetings	0.040	0.038	0.024		0.102
	Commission	-	-	-		-
	Others, please specify	-	-	-		-
	Total (1)	**0.040**	**0.038**	**0.024**		**0.102**
2	Other Non-Executive Directors	*Seshagiri Rao MVS	*Nikhil Gahrotra	*Kalpesh Kikani	*Sanjay Kumar	
	Fee for attending board & committee meetings	NIL				NIL
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)	**NIL**				NIL
	Total Managerial Remuneration(A+B)	**0.040**	**0.038**	**0.024**		**0.102**
	Overall Ceiling as per the Act	As per the Companies Act, 2013				

*Non-Executive Non-Independent Directors neither received any remuneration from the Company nor were paid any sitting fees for attending the meetings.
@Independent Directors were not paid any remuneration except the sitting fees for attending meeting of Board and committees.

Annexure-7

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(in ₹ crores)

Particulars of Remuneration	Key Managerial Personnel		Total
Gross salary	J. Nagarajan Chief Financial Officer	Ajay Kadhao Company Secretary	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.02	0.44	**1.46**
(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	-	-	**-**
Stock Option	-	-	**-**
Sweat Equity	-	-	**-**
Commission			
- as % of profit			
- others, specify...	-	-	**-**
Others			
-Provident Fund	0.03	0.02	**0.05**
Total	**1.05**	**0.46**	**1.51**

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT, 1956 AND COMPANIES ACT, 2013 – NIL

By Order of the Board
For **Monnet Ispat and Energy Limited**

Jyotin Mehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 18 May 2020

Annexure-8

Management discussion and analysis

MIEL is a primary steel producer that manufactures and sells sponge iron, steel, ferro alloys, along with billets and pellets. The Company has an integrated steel plant at Raigarh in Chattisgarh, India with a capacity of ~1 MTPA, with the ability to scale up to 1.5 MTPA on completion of balance steel making facilities. It also has a pellet production capacity of 2.2 MTPA with the capability to scale up to 2.5 MTPA at the same location. MIEL also has another unit for steel production at Raipur with 0.25 MTPA capacity.

In FY 2017-18, MIEL underwent a Corporate Insolvency Resolution Process (CIRP), and pursuant to CIRP the majority of equity stake and control was acquired by a consortium of AION Investments Private II Limited (AION) and JSW Steel Limited in August 2018. Subsequent to the said acquisition, the new management has taken various steps to restart and stabilise the operations at Raigarh works, while the Raipur works continues to function normally.

GLOBAL ECONOMY

The world GDP growth for CY2019 stood at 2.9%, compared to a 3.6% growth in CY2018. The slower growth in 2019 was a result of a broad-based slowdown in global manufacturing and trade on the back of uncertainty around trade measures and tariffs. However, just as CY2020 was beginning to show signs of a modest recovery, the world was hit hard by the unprecedented COVID-19 pandemic. Subsequently lockdowns, shelter in place, stay at home orders, etc. were imposed across various countries, which brought an abrupt halt to the economic activities across the globe.

According to the International Monetary Fund (IMF), global economic growth is likely to witness a steep de-growth of -4.9% in CY 2020, amidst 'The Great Lockdown' led by COVID-19. The contraction in growth seeps down to over 170 nations, and for several of them, this comes as a double whammy as they were already fighting existing headwinds in their economy.

That said, there is a co-ordinated policy measures being undertaken across the world, as most nations have responded with various stimulus measures and economic packages to mitigate the impact of this slowdown. Mankind seems to have found a new level of resolve to adapt and overcome this temporary shock. This also sets the stage for innovation, the aspects of which are being reflected across industries and all walks of life. Together, these establish the tone for a 'new normal'.

Advanced economies

The advanced economies are mostly experiencing widespread outbreak, especially the US, the UK, Germany, France, Italy and Spain, and are therefore deploying containment measures that extract a sizable toll on economic activity. Additionally, adverse market sentiments are also likely to impact economic prospects. Some partial lifting of lockdown measures has been witnessed in recent weeks.

Emerging market and developing economies

The emerging markets and developing economies are under pressure to balance their public health scenario with their economic development goals. However, emerging and developing Asia group is expected to be the only region with some growth rate in CY2020 due to significant domestic demand and policy responses.

Outlook

Global economic prospects solely rest on the pandemic fading eventually and the stimulus that governments will be able to provide their economies. So far, China appears to have overcome its initial shock after COVID-19 ravaged its Wuhan and Hubei provinces, while others are evaluating the spread of the disease and assessing impact and placing possible mitigation measures in action.

Despite the pandemic having a more negative impact on global economic activities in CY 2020, the IMF estimates gradual recovery in CY 2021 with global growth forecast of 5.4%.

Region-wise growth estimates (%)

Region	2018	2019	2020 (Projected)	2021 (Projected)
World	**3.6**	**2.9**	**-4.9**	**5.4**
AME	**2.2**	**1.7**	**-8.0**	**4.8**
US	2.9	2.3	-8	4.5
Euro Area	1.9	1.2	-10.2	6.0
Japan	0.3	0.7	-5.8	2.4
EME	**4.5**	**3.7**	**-3.0**	**5.9**
China	6.7	6.1	1.0	8.2
Russia	2.5	1.3	-6.6	4.1
India*	6.8	4.2	-4.5	6.0
Brazil	1.3	1.1	-9.1	3.6

Source : IMF World Economic Outlook.

*For India, data and forecasts are presented on a fiscal year basis.

Annexure-8

Strong multilateral cooperation is the need of the hour to overcome the effects of the pandemic in the economic arena as well. Countries need to urgently help those economies that are facing twin health and funding shocks to slow the spread of the virus. Additionally, broad-based fiscal stimulus across the globe can lift aggregate demand, build market confidence and avert an even deeper downturn.

INDIAN ECONOMY

India's economic growth moderated in FY 2019-20 to 4.2% from 6.1% a year earlier due to weak domestic consumption and subdued investments. The IMF estimates Indian GDP to contract by 4.5% in FY 2020-21 given the severe impact of pandemic on the domestic economic activities but bounce back to 6% in the subsequent year.

India Economic Growth (%)

Particulars	F.Y 2018-19	F.Y 2019-20
GDP	6.1	4.2
Agriculture	2.4	4.0
Industry	4.9	0.9
Services	7.7	5.5
Manufacturing	5.7	0.0
GFCF	9.8	-2.8
Construction	6.1	1.3

India faced an eventful FY 2020. Notwithstanding a large mandate for a stable government in the general elections, extended monsoons and a weakened investment and consumer sentiment subdued economic activity for a large part of the year. However, towards the end of third quarter, the demand picked up, especially with back-to-back policy rate cuts from the Reserve Bank of India (RBI) and the announcement of a large-scale multi-year infrastructure pipeline worth ₹ 102 lakh crores by the government.

In March 2020, as the pandemic spread its influence across the country, the Government of India proactively laid down containment measures, starting with a 21-day lockdown w.e.f. 25th March 2020, which was further extended in phases. The macroeconomic and financial activities, since then, have steeply waned, with a contraction in exports, declining production and sales of automobiles and a sharp fall in the demand for electricity.

The IMF projections of growth or de-growth are based upon the assumption that the lockdown and the pandemic recede during the second half of FY 2021, and there are synchronised efforts from both the government and the Reserve Bank of India (RBI) to support the economy and spur demand.

Despite the imminent risks to the economy, India's growth is expected to gain pace gradually in the coming months, expectedly driven by targeted measures to protect jobs, income support to the vulnerable sections of households and businesses, and encourage investments. The Government of India has already announced a ₹ 20 trillion package (or ~10% of India's GDP) to assist the nation and its people in mitigating the economic impacts of this pandemic.

India's economy remains resilient with robust long-term fundamentals, providing large external buffers and reserves, which bolster the country's potential to increase fiscal expenditure once the pandemic recedes. Moreover, India has the capacity and scale to expand its share in the global supply chain, which has been disrupted by the COVID-19 outbreak.

GLOBAL STEEL INDUSTRY

The global steel industry witnessed moderate growth during CY 2019, with spurts of growth in specific geographies. The industry was further hit by shutdowns, disrupted supply chains, collapsing confidence and delayed investment and construction projects, aggravated by financial market volatility and collapsing oil prices during this period. The year witnessed slower macroeconomic growth and increased pricing pressure, led by protectionist tendencies.

in million tonnes

Region	Crude Steel Production			Finished Steel Apparent Consumption				
	2018	2019	Variance (%)	2018	2019	2020-P	Variance (%)	
							2019 vs 2018	2020-P vs 2019
World	1,814	1,869	3.0	1,708	1,766	1,654	3.4	-6.4
China	920	996	8.3	836	907	917	8.5	1.0
World-China	894	873	-2.3	872	859	737	-1.5	-14.2
Japan	104	99	-4.8	65	63	51	-3.4	-19
US	87	88	1.1	100	98	75	-2.1	-22.9
Korea	73	71	-2.7	54	53	46	-0.9	-12.7
EU-28	168	159	-5.3	168	158	133	-5.6	-15.8
ASEAN	34	37	9.1	77	78	76	0.8	-2.4

Source : World Steel Association

Annexure-8

Recovering steel industry in China

China is the world's largest manufacturer and consumer of steel. After eight weeks of lockdown, China resumed normal economic activities, including steel production in March 2020. All steel-consuming sectors are reviving to near normalcy level driven by large fiscal and favorable monetary policies in the country. While in the near term China is witnessing a strong domestic demand, but elevated levels of production could lead to higher exports out of China later in 2020, which may appear as a risk for global steel prices.

Outlook

Despite the current market condition, steel demand is expected to remain buoyant in the long term, driven by construction and infrastructure development in the emerging economies. Besides, Advanced economies are expected to modernise and re-build their infrastructure, which bodes well for the global steel demand.

Indian steel industry

India is the world's second largest producer of crude steel and is estimated to become the second-largest consumer of finished steel products[2] over the medium term, with the sector contributing ~2% of the country's GDP. The growth in India's steel consumption is driven primarily by infrastructure, construction and automobile sectors that account for ~75% of the domestic demand. The growth in India's production and consumption of steel is a direct result of its economic development and consistent government efforts to strengthen the industry.

However, construction and manufacturing activities were subdued for most part of the year driven by a credit squeeze and prolonged monsoon season. This also translated into softer pricing and weaker spreads for finished steel, notably in the first half of FY 2019-20. Well-placed players in the industry responded by shifting their market focus to exports, to liquidate accumulated inventory. This led to India becoming a net exporter of steel during the year under review, with non-alloy Hot Rolled Coil being the most exported item.

India leads global DRI production in March 2020

Global production of Direct Reduced Iron (DRI), also called sponge iron, in January-March 2020 continued to be driven by India (9.72 MnT) at the number one spot with a growth of 10.7% over the same period of 2019.

Impact of COVID-19 on India's steel sector

The nation-wide lockdown across India has impacted all economic activities. As a result, several steel user industry segments such as construction, infrastructure projects and automobiles had abruptly halted. However, with a subsequent lifting of lockdown measures, the economic activities across these segments are gradually moving back towards normalcy. With a substantial decline in demand, most steel production units across India are running at low capacity utilisation levels. The Indian steel industry responded to the situation by shifting focus on to exports, which meant a decent utilisation levels across the sector in May and June, with inventory levels not being elevated. With strong government incentives and policies, and the economy's inherent strengths, India is likely to gradually recover the lost ground in economic development in the coming year, leading to a significant momentum and strong recovery in the country's steel demand during FY 2022.

Government stimulus creating demand for steel in domestic market

The Government of India's focus on delivering world-class infrastructure projects across the country has increased the overall steel demand in the country, with infrastructure, construction and real estate sectors together forming 60-65% of India's steel demand.

Besides, the new National Steel Policy (NSP) that was introduced in CY2016, retains the objectives of the NSP 2005. It aims to increase per capita steel consumption to 160 kg by FY 2030-31 and has a mandate of increasing production capacity to 300 MT by FY 2030-31, which will translate into additional investments of ₹10 lakh crores (~$156.08 billion).

Industry opportunities and threats

With several backward and forward linkages in place, several factors catalyse the demand in the steel industry. Traditionally, construction, infrastructure, automobiles and consumer durable sectors generate steel demand, while the availability of raw materials and workforce have an impact on the production.

During FY 2020, Indian steel manufacturers continued to face the challenges of imported steel due to elevated level of imports from Japan and South Korea, besides reduced demand from the automobile and its ancillary sectors.

However, the government is working towards bolstering India's steel industry by direct and indirect policy stimuli that are expected to increase demand (multimillion-dollar NIP and fresh investment in power, railways, and water, coupled with renewed interest in the automobile sector) and reduced imports.

[2]The Indian steel industry: Growth, challenges and digital disruption www.pwc.in/assets/pdfs/consulting/technology/the-indian-steel-industry-growth-challenges-and-digital-disruption.pdf

Annexure-8

Outlook

India's steel consumption growth is expected to rise over the medium to long term on account of government expenditure on infrastructure and fiscal stimulus to manufacturing industries. Further the country is looking to modernise, expand and accommodate the aspirations of a growing population where industrialisation, urbanisation and access to technology are the key pillars of the economic growth.

FINANCIAL REVIEW

Performance review

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Variation (%)
Turnover	2,638.16	1,879.41	39
(Loss)/Profit before depreciation, interest, tax and exceptional items (EBITDA)	(17.85)	27.68	-164
Interest and finance charges	253.32	445.27	-43
Depreciation	216.99	275.60	-21
Exceptional items	-	2,767.92	-100
Loss before tax	(488.16)	(3,461.11)	-86
Other comprehensive loss (OCL)	(3.65)	(33.04)	-89
Total comprehensive loss for the year	(491.81)	(3,494.15)	-86

Financial Performance

During the year the Company recorded a net loss of ₹ 488.16 crores as against ₹ 3,461.11 crores in the previous year. It recorded an EBITDA loss of ₹ 17.85 crores, while FY2019 EBITDA stood at ₹ 27.68 crores. The overall steel industry was reeling through a rough phase and the prices of all products were lower in the current year vis-a-vis the previous year, while the prices of raw material did not fall as much. In Q4 FY2020, the prices of TMT, pellets and DRI were on the rise but due to the COVID-19 pandemic the prices softened.

The Company ended with a net total comprehensive loss of ₹ 491.81 crores in FY 2019-20 as against a loss of ₹ 3,494.15 crores in FY2019.

The analysis of the major items of the financial statements is given here:

a. Net sales and operating income

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Domestic turnover	2,361.29	1,796.06	565.23	31
Export turnover	246.47	76.29	170.18	223
Total turnover	2,607.76	1872.35	735.41	39
Other operating Revenues	30.40	7.06	23.34	331
Revenue from Operations	2,638.16	1,879.41	758.75	40
Other income	25.97	26.83	(0.86)	-3
Total income	**2664.13**	**1906.24**	**757.89**	**40**

During the year, revenue from operations increased by 31% as compared to the previous year mainly due to higher sale of Pellets, DRI and TMT. During FY 2020, the capacity of Pellets production grew from 1.50 MTPA to 2.20 MTPA.

b. Materials

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Cost of Goods Sold	1,943.36	1,478.00	465.36	31

During FY 2020, the Cost of Goods Sold (COGS) increased by 31% as compared to the previous year. This is in line with the increase in sales. The increase in COGS is due to increase in sales of Pellets, DRI and TMT.

c. Employee benefits expense

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Employee benefits expense	116.46	89.34	27.12	30

The increase in employee benefits expenses as compared to the previous year is mainly on account of increase in the number of employees.

d. Depreciation and amortisation expense

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Depreciation and amortisation	216.99	275.60	(58.61)	-21

During the year, depreciation expense reduced by 21% as in the current year the depreciation is calculated on the reduced value of assets post impairment accounted for in the previous year.

Annexure-8

e. Other expense

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Other expenses	334.88	163.37	171.51	105

Other expenses include cost of stores & spares consumed, which have increased from ₹ 34.64 crores to ₹ 124.09 crores, mainly due to an increase in production and start of steel operations during FY 2020.

f. Finance cost

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Finance cost	253.32	445.27	(191.95)	-43

Finance cost reduced by 43% y-o-y mainly on account of reduction in interest charge pursuant to the implementation of the resolution plan as approved by the NCLT.

g. Exceptional items

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Exceptional items	-	2,767.92	(2,767.92)	-100

There is no exceptional item to be reported for FY 2020.

h. Fixed assets

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Tangible assets	3,219.68	3,372.55	-152.87	-5
Capital work-in-progress	237.63	153.63	84.00	55
ROU assets	29.58	-	29.58	100
	3,486.89	3,526.18	**-39.29**	**-1**

During the year, the Company undertook several projects for increasing the capacity of the Pellet plant, including improvements in the blast furnace and special steel projects. The increase in Capital Work in Progress and Tangible Assets is on account of these projects.

i. Investments

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Investments in subsidiaries, associates and joint ventures	-	-	-	-
Other investment	0.75	0.99	-0.24	-24

j. Inventories

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Raw materials (includes goods in transit)	336.40	227.23	109.17	48
Work-in-progress	4.95	5.73	(0.78)	-14
Finished goods	369.97	350.40	19.57	6
Stores and spares (includes goods in transit)	146.17	75.45	70.72	94
Total	**857.49**	**658.81**	**198.68**	**30**

The Company carries optimum inventory to avoid any shortages. The increase in inventory is in line with the increase in production plan for Pellets, DRI, TMT and Steel operations.

k. Trade receivables

(₹ in crores)

Particulars	FY 2019-20	FY 2018-19	Change (₹)	Change (%)
Total debtors	54.00	35.06	18.94	54
Less: Provision for doubtful debts	(2.23)	(2.08)	(0.15)	7
Total	**51.77**	**32.98**	**18.79**	**57**

Trade receivables in absolute numbers have increased but as number of days to sales has reduced due to improvement in collections.

l. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations

(₹ in crores)

Particulars	FY 2020	FY 2019	Change (%)
Debtors Turnover (days) Note 1	5.86	10.29	-43
Inventory Turnover (days)	120.27	129.00	-7
Interest Coverage Ratio Note 2	(0.12)	0.03	-486
Current Ratio	1.97	2.38	-17
Debt Equity Ratio Note 3	1.76	1.11	59
Operating Profit Margin (%) Note 4	(1.66)	0.05	3,772
Net Profit Margin (%) Note 5	(18.50)	(184.16)	-90

Note 1: The debtors Turnover ratio has improved with improvement in collections. The Company has been trying to collect advances

Annexure-8

wherever possible and gives credit against security instruments like letter of credit.

Note 2: During the year, the prices for commodities that the Company sells has come down and has in turn reduced its margins.

Note 3: The Company is in stabilisation and improvement phase and hence the Company has had to borrow funds for capital expenditure. Moreover, with declining margins the Company had to borrow funds for its working capital needs too.

Note 4: The operating profits of the Company have declined as compared to the previous year as the prices of commodities have come down while the cost of inputs has not come down to the same extent.

Note 5: During the previous year when the Company was taken over by the new management, the Company had written off many assets which were not recoverable as exceptional items. Hence the net profit margin is not comparable.

OPERATIONAL REVIEW

The DRI units at both Raigarh and Raipur works were in continuous operation at time of acquisition by the Consortium in August 2018.

The facilities at Raigarh works (other than those relating to Pellets and DRI) were under planned shut down from 21 June 2019 for repairs, maintenance and upgradation. During the period of this shut down, the Company undertook a modification of the plant and machinery for manufacturing special steel products, apart from general maintenance. The Company started some of its manufacturing facilities, namely iron making, steelmaking and rolling mills forming part of the integrated steel making operations on 2 March 2020 and is expected to commence manufacturing special steel in Q1 FY 2021.

The manufacturing facilities of the Company at both Raigarh and Raipur works were shut down on 25 March 2020 following the country wide lockdown due to COVID-19. With a gradual easing of restrictions, the Company restarted the integrated steelmaking operations at Raigarh works on 2 May 2020 and at Raipur works on 15 May 2020.

Special steels production

MIEL undertook a major planned shutdown during the year to convert its Steel Melting Shop and Rolling Mills to enable production of special steels. This was done by strengthening the equipment and providing higher levels of automation. This will result in:

- Addition to product basket with a variety of cast product sizes
  - 280x370 mm for heavy forgings and rail applications
  - 220 mm sq for various grades like low, medium carbon and micro alloy forgings
  - 220 mm and 310 mm diameter for seamless pipe industry
  - 140 mm sq with extra lengths up to 14 meter for cast products of cold heading, free cutting and high carbon steels
- Meeting of wide range of requirements at JSW Steel Italy Piombino S.P.A. which can consume the cast products
- Production of spring steel flats up to 90 series, bars in the range of 20 mm to 60 mm for variety of applications including auto industry, railways and general engineering, by the upgraded bar mill

While the special steel production will be ramping up concurrent with a range of approvals in the current financial year, TMT bar supply will continue meeting the requirements of construction industry.

Quality

The quality assurance department has been provided with a wide range of testing equipment and inspection facilities. Quality systems are being set in place to meet and exceed the customer expectations on quality and quantity with delivery at the right time. The focus is on zero defect and continued after sales support up to the end/OEM customer.

During the year under review, the Raigarh works received ISO 9001:2015, ISO 14001:2015, ISO 45000:2018 certification and was also declared the winner of the 19th Annual Greentech Environment Award 2019.

Synergies with JSW Steel

JSW Steel, one of the country's leading steel manufacturers infused capital into MIEL's business and is a member of the Consortium which assumed control over MIEL pursuant to IBC. The Company can leverage on JSW Steel's technical know-how, training and marketing skills and vast experience. Besides, MIEL benefits from the larger organisation's economies of scale and utilises its centralised raw materials procurement and marketing. The Company is planning to export special steel cast products to global potential customers, including JSW Steel Italy Piombino S.P.A.

Demand Scenario

There is a vibrant steel demand in the country's eastern and northern region. MIEL is ideally located in Chhattisgarh—central India—to cater to these geographies driven by a favourable cost of logistics.

Organisational opportunities and threats

Opportunities

- Potential for switching over to special steel to serve north and east market
- Availability of special steel export market including exports through JSW Steel Italy Piombino S.P.A.
- JSW Group know-how and in-house resources available for special steel product development

- Potential to procure iron ore from JSW Steel's captive mines, ensuring raw material security
- Steel being increasingly viewed as a more sustainable alternative to other construction materials, driving demand over the long term
- Steel as a direct beneficiary of the large-scale infrastructure pipeline laid out by the Government of India
- National Steel Policy 2017 and other announcements by the Government of India supporting the overall growth of domestic steel industry

Threats

- Proximity of large players who have advantage of lower cost of production and vertical integration
- COVID-19 disruptions in national and international markets
- Continuous environmental pressures leading to process/ equipment related changes
- Divergent global market environment

RISKS AND CONCERNS

The identification and evaluation of risks play a crucial part in the sustainability of any organisation. At MIEL, the re-constituted management of the Company adopted a robust risk management framework for identifying and evaluating risks and opportunities.

Key Risks

- **Adverse global and domestic demand-supply dynamics:** Global demand and supply dynamics impact the Company's ability to reach beyond the domestic markets and cater to a diverse customer base. MIEL is growing its presence in various markets and catering to a number of sectors to manage this risk. Besides, during the year, it began production of value-added products that will help it create a niche for itself in the industry.
- **Cyclical nature of the steel industry:** To overcome the cyclical nature of the steel industry, it is essential to have a foothold in various markets that have different cyclical patterns, as this helps the Company to leverage market opportunities. MIEL is serving the domestic markets of northern and eastern India and will also be cater to international markets including JSW Steel Italy Piombino S.P.A.
- **Unfair trade practices resulting into surge in imports:** Several markets face unfair trade practices. MIEL works with various industry associations and other such bodies to engage with the government in ensuring a level playing field.
- **Trade barriers imposed by other countries like the US, Europe:** Some markets are highly regulated and have trade barriers. MIEL supports different trade bodies that focus on encouraging these markets to lower these restrictions
- **Disruption of business activities:** A proactive risk management approach enables the Company to eliminate disruption of business activities.

The Company takes steps to address the business risks which can be controlled and mitigated. With synergies and support from the JSW Steel and considering the upgradation of the Raigarh works facilities, the management expects to further improve the processes, quality of products and market reach. The Company will focus on producing special steel products and exports. It is well placed to mitigate the known key risks leading to its growth and profitability.

HUMAN RESOURCE DEVELOPMENT

People are the backbone of any organisation and MIEL appreciates the determination, drive and dedication of its people, recognising them as a key differentiator for the business. As on 31 March 2020, the Company had 2,255 direct employees, apart from a strong base of contract workforce.

The Company promotes a culture of meritocracy and strives to provide a conducive workplace for all. It has all the contemporary safety practices in place and works continuously to ensure occupational health and safety of its people. The Company has laid down Anti Sexual Harassment policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, apprenticeship) are covered under this policy.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems include documented policies, checks and balances, guidelines and procedures, that are supplemented by robust internal audit processes and monitored continuously by periodical reviews by the management to provide reasonable assurance that all assets are safeguarded; transactions are authorised, recorded and reported properly. Post-acquisition, the reconstituted Board/Management is in the process of further strengthening the internal controls framework with an objective to have a best-in-class internal control framework commensurate with the size, scale and nature of business.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's estimates and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results/performance could differ materially from those expressed or implied.

Annexure-9

Business responsibility report

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L02710CT1990PLC009826
Name of the Company	Monnet Ispat and Energy Limited (MIEL)
Registered address	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101
Website	www.aionjsw.in
E-mail id	isc_miel@aionjsw.in
Financial Year reported	2019-2020
Sector(s) that the Company is engaged in (industrial activity code-wise)	S. No. | Name and Description of main products / services | NIC Code of the Product/service 1 | Steel | 241 2 | Metal | 243
List three key products/services that the Company manufactures/provides (as in balance sheet)	a) DRI/Sponge Iron b) Pellets c) Structural Steel/TMT
Total number of locations where business activity is undertaken by the Company	Detailed hereunder:
(a) Number of International Locations (Provide details of major 5)	-
(b) Number of National Locations	2 manufacturing locations
Markets served by the Company – Local/State/National/International	All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up capital (₹)	Equity Share Capital ₹ 469.55 crores
Total Turnover (₹)	₹ 2664.13 crores
Total profit/(loss) after taxes (₹)	₹ (488.16) crores
Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As the average net profit of the Company during the previous three financial years was negative, it was not mandated to spend any amount on CSR during 2019-2020. The Company has however voluntarily incurred expenses of ₹ 1.48 crores on certain social initiatives.
List of activities in which expenditure in above has been incurred:-	The Company's efforts have focused on following areas: a) Education b) Health and medical facilities c) Women empowerment/ Skill Enhancement d) Rural development

Annexure-9

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, has two direct subsidiaries i.e., one Indian and one foreign subsidiary.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

No. Both the subsidiaries are non-operational.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

MIEL was under the Corporate Insolvency Resolution Process (CIRP) since the financial year 2017-2018. The CIRP process was successfully resolved during the financial year 2018-2019. During the financial year 2019-2020, the new management has undertaken repairs, maintenance, upgradation and modernization of the integrated steel operations at its Raigarh plant and operations are still stabilizing. Hence, suppliers, distributors and the like who are associated with the Company have not yet participated in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

Details of the Director/Director responsible for implementation of the BR policy/policies

DIN Number	03298700
Name	Ravichandar Moorthy Dhakshana
Designation	Whole-Time Director
Details of the BR head	
DIN Number (if applicable)	08059827
Name	Vimal Singh
Designation	Vice President
Telephone number	+91 7762 251000
e-mail id	vimal.singh@jsw.in

The Composition of the Business Responsibility Reporting (BRR) and International Trade Practice Committee is as under;

Sr. No.	Name	DIN	Designation
1	Mrs. Anuradha Bajpai	07128141	Non-Executive Independent Director- Chairperson
2	Mr. Ravichandar Moorthy Dhakshana	03298700	Executive- Whole-Time Director – Member
3	Mr. Nikhil Gahrotra	01277756	Non-Executive Director- Member

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/policies

a) Details of compliance (Reply in Y/N)

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	$ Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	# Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	@ Indicate the link for the policy to be viewed online?	https://www.aionjsw.in/investors/policies.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	* Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y

Annexure-9

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	^ Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Notes:

$ Currently, the policy has been uploaded on the Company's website and is being communicated through the Business Responsibility Report under Annual Report 2020. However, it is proposed to formally communicate the policy to all relevant internal and external stakeholders.

The BRR policy is based on National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business.

@ The BRR policy is available on the website of the Company viz. https://www.aionjsw.in/investors/policies..

* The Business Responsibility Head with the support other functional head and internal / external experts ensures the implementation of the BR policies. The Corporate Governance & BRR Committee to oversee implementation of Business Responsibility policies.

^ Pursuant to the BR policy, the Company has established grievance redressal mechanism whereby stakeholders can approach the Company by writing email at isc_miel@aionjsw.in for the redressal of their grievances.

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Questions	P1	P2	P3	P4	P5	P5	P6	P7	P8	P9
1	The company has not understood the Principles										
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles										
3	The company does not have financial or manpower resources available for the task					NOT APPLICABLE					
4	It is planned to be done within next 6 months										
5	# It is planned to be done within the next 1 year										
6	Any other reason (please specify)										

The Company has formulated and approved the BR policies based on National Voluntary Guidelines and has implemented most of the principles and is in process of implementing the other principles, since the process of implementation has been slowed downed due to the outbreak of the COVID pandemic and exercise of implementation thereof will be completed in the current financial year 2020-2021.

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.

SEBI vide its notification dated 26 December 2019 extended the applicability of Business Responsibility Reporting ("BRR") in the Annual Report from the present top 500 listed companies to the top 1000 listed entities based on market capitalization. The Company is covered under such top 1000 listed Companies.

The Company proposes to assess the BR performance of the Company at half-yearly rests aided by regular updates during the year on its implementation.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first year where the Company is required to publish a Business Responsibility Report as parts of the Annual Report vide SEBI notification dated 26 December, 2019. This report is available at the website of the Company at https://www.aionjsw.in/investors and same will be published annually.

Annexure-9

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with ethics, transparency and accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

   The Company (together with its subsidiaries and controlled joint ventures of the Company) conducts and is committed to conducting all aspects of its business in keeping with the highest legal and ethical standards and expects all employees and other persons acting on its behalf to uphold this commitment. The Anti-Corruption Compliance and Trade Control Compliance Policy is applicable to all directors, officers, employees, agents and other associated persons of the Company.

   The Vigil Mechanism and the Whistle Blower Policy of the Company provides a mechanism for directors and employees of the Company to approach the Chairman of the Audit Committee of the Board to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or any other unethical or improper activity.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the financial year 2019-2020, the Company has received 12 complaints/queries from shareholders of the Company and all of them were satisfactorily resolved. The Stakeholders Relationship Committee of the Company specifically looks into various aspects of interest of shareholders, and other security holders of the Company.

   During financial year 2019-2020 no complaints pertaining to sexual harassment were received or pending to be resolved by the Company. Similarly, the Company has not received any 'Protected Disclosure' or pending to be resolved under Whistle Blower Policy/Vigil Mechanism of the Company about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or any other unethical or improper activity.

   The Company has not received any other complaint from other stakeholders.

Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The Company understands its obligations relating to social and environmental concerns, risks and opportunities. The Company ensures fulfillment of compliance obligations that relate to its products, environmental aspects and occupational health and safety. During the financial year under review, the Company was engaged in manufacturing of following main products;

   a) DRI/Sponge Iron

   b) Pellets

   c) Structural Steel/TMT

   The products of the Company are manufactured in compliance with applicable laws, regulations and the products are supplied in Business to Business segment. The Company's manufacturing processes have adequate systems and processes which ensure protection of environmental factors like reduction of emissions, discharge of pollutants and hazardous waste and treatment thereof in systematic manner to minimize adverse environmental impact. The Company prioritizes domestic sourcing wherever possible. Efforts are also made to transport maximum cargo via ship/rail.

   The manufacturing process also takes care of other aspects like minimizing and treatment of occupational disease, safety measures to avoid accidents, fire / leakages by adopting certain measures including a) selecting right equipment, processes, inputs and tracking emissions b) organizing Safety awareness programs, safety training, structural audit. The Company also provides employment opportunities to local people around its manufacturing plants.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   The Company is committed to environmental sustainability and constantly endeavors for reduction and optimal utilization of energy, water, raw material by incorporating new techniques and innovative ideas. The Company has two manufacturing facilities at Raipur and Raigarh, in the state of Chhattisgarh. Raigarh Plant of the Company is the major contributor to the overall revenue and production of the Company.

   In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/Code"), the Corporate

Annexure-9

Insolvency Resolution Process ("CIRP") of the Company was initiated by the Financial Creditor(s) of the Company in the financial year 2017-2018 and the petition of the financial creditors was admitted by the National Company Law Tribunal, Mumbai ("NCLT") on 18 July 2017.

The Hon'ble NCLT vide its order dated 24 July 2018 approved the Resolution Plan submitted by consortium of JSW Steel Limited ("JSW Steel") and AION Investments Private II Limited ("AION") (AION together with JSW Steel, the "Consortium"). Thereafter a new Board was constituted w.e.f. 31 August 2018 ("Reconstituted Board" or "Board") and new management was put in place.

During the previous financial year 2018-2019, the Company was manufacturing only Sponge Iron for full financial year and the integrated steel production including Blast Furnace, Electrical Arc Furnace (Steelmaking), Ladle Refinery, Continuous Casting of Steel and Pellet plant was re-started at the Raigarh plant of the Company, with effect from 8 February 2019.

During financial year 2019-2020, the Company has taken shut down of the steel manufacturing operations/plants, other than Pellet Plant and DRI Plant, at its Raigarh plant, with effect from 21 June 2019, for necessary modifications and general maintenance. The Pellet Plant and DRI Plant of the Company at Raigarh locations were operating throughout the year while integrated steel operations were running for about four months. The integrated steel operations at the Raigarh Plant of the Company were re-started with effect from 02 March 2020 up to 25 March 2020. In view of 21 days' nationwide lockdown advisory announced by the Government of India and other authorities to contain the spread of Corona Virus disease (COVID-19), the Company temporarily suspended all the manufacturing operations of its plants situated at Raipur and Raigarh both located in the State of Chhattisgarh with effect from 25 March 2020 till further notice.

Considering that the majority of manufacturing activities of the Company for the past two financial years were not fully operational, the details on the achievement in reduction of use of resource like energy, water, raw material are not strictly comparable to the previous financial year.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company operates in Business to Business segment therefore the Company's products do not have any broad based impact in the reduction of consumption of energy and water by its consumers. The Company is generally committed to reduce waste, conservation of raw material, resources and energy through various initiatives, technological upgradation.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has a structured procedure for sourcing to ensure raw materials are sourced in an optimal sustainable manner. The Company procures key raw material like Iron-Ore from Odisha, furnace oil from Raipur, fluxes from Rajasthan, Kutch, Chhattisgarh, Madhya Pradesh and LPG gases from local vicinity where the plant of the Company is located. The sourcing of raw materials like iron ore and coal were made through rail wagons and road transport.

In financial year 2019-2020 majority of inputs of the Company were sourced sustainably.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company believes in inclusive growth and encourages local sourcing wherever possible. The Company is promoting and encouraging surrounding areas local small suppliers, civil, housekeeping, horticulture contractors and transporters which help them in securing work contracts. Most of such local suppliers categorized under MSME (Micro, Small & Medium Enterprises) sector. To ensure improvement of capacity and capability of such local suppliers the Company ensures the timely payments against the respective services rendered by them. The Company do avail/employ people residing in vicinity of plants of the Company, whenever required, for the purpose of its manufacturing activities. The Company is providing technical and safety training, as required in plant, which makes them more reliable and employable in safe ways.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The waste management at the Company comprises of a collective activity involving collection, segregation, transportation, processing, recycling and disposal of various types of wastes. Effective utilization of resources and its management is the prime focus in all processes.

The major solid waste is slag which is generated from Blast Furnace (BF) and Steel Melting Shop (SMS). Slag is sold to cement companies. Other solid waste products like metallurgical dust, Mill scale were used in the sinter plant. Waste water generated is reused/ recycled for processes internally through STP plant. Consequently, entire solid and water waste is usually recycled fully.

Annexure-9

During the year, apart from recycling/reusing waste, the Company has also internally reused/recycled all products extracted from Bars like end-cuts, skulls, which were used in SMS.

Principle 3 – Businesses should promote the wellbeing of all employees

1.	Please indicate the total number of employees:	2,255
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis:	2,114
3.	Please indicate the number of permanent women employees:	42
4.	Please indicate the number of permanent employees with disabilities:	2
5.	Do you have an employee association that is recognized by management: Yes/NO	No
6.	What percentage of your permanent employees is members of this recognized employee association?	Not applicable

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Category	No. of complaints pending at the beginning of the financial year	No. of complaints filed during the financial year	No. of complaints Resolved during the financial year	No. of complaints pending as on end of the financial year
Child labor/ forced labor/ involuntary labor	Nil	Nil	Nil	Nil
Sexual harassment	Nil	Nil	Nil	Nil
Discriminatory employment	Nil	Nil	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Sr. No.	Category of employees	% of training given at Raigarh location	% of training given at Raipur location
a)	Permanent Employees	80	80
b)	Permanent Women Employees	77	0*
c)	Casual/Temporary/ Contractual Employees	100	90
d)	Employees with Disabilities	100	-

* % derived in fraction, during the year total 3 women employees were given safety & skill up-gradation training.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. The stakeholders have been mapped and the key stakeholders are as follows:

a) Government and regulatory authorities
b) Investors and Shareholders
c) Employees
d) Customers
e) Local Communities
f) Suppliers/contractors.
g) Lenders

The Stakeholders Relationship Committee of the Company specifically looks into various aspects of interest of shareholders, and other security holders of the Company.

Also at plant locations the management engages with other stakeholders to understand and resolve any concern of the stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, as a part of its social activities, the Company has identified certain disadvantaged, and marginalized villages in proximity to its plants. The Company organizes medical health check up plans, free ambulance facilities catering to 10 villages, maintenance of street lights, vocational classes for women (stitching classes) and improvements in school infrastructures/arrangement of transportation.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

See 2 above.

The Company also encourages its employees to participate in various social activities.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company strictly follows highest ethics including protection of human rights while conducting its business activities. The Company's stand on human rights, including

Annexure-9

non-discrimination, prohibition of child and enforced labour, freedom of association and the right to engage in collective bargaining. The Company's Human Rights Policy aims to cover all its businesses processes and is part of its commitment to ethical and socially responsible behavior across its value chain. Currently the Human Rights Policy is applicable to the Company.

The Company's Policy for Prevention of Sexual Harassment of Women at workplace is applicable to all the employees including contractual and also covers contractual, temporary, visitors.

The Whistle Blower Policy/Vigil Mechanism of the Company also provides a mechanism for directors and employees of the Company to approach the Chairman of the Audit Committee of the Board to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or any other unethical or improper activity.

The Company has also extended strong support to manpower by covering them in Group Personal Accident & Group Mediclaim policy. The Company abides by all the rules and regulations related to human rights which are applicable in the area of operations.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaints pertaining to sexual harassment or principles related to human rights and there is no complaint pending to be resolved in this respect, during financial year 2019-2020.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

The Company has a Policy on Conservation and Preservation of the Environment. All the plants of the Company maintain the generation of emissions and waste within the permissible limits given by Central Pollution Control Board of India (CPCB)/ State Pollution Control Boards (SPCB) to minimize adverse impact on environment.

The Company has adopted an integrated approach towards addressing biological diversity at various sites. Wastelands around the sites and open spaces within the premises are being converted into green belts, leading to reduced dust, improved micro-climate conditions, enhanced ambience for natural flora and fauna, reduction in evaporation losses of water, and so on. There are 4120 trees/plants at the Raigarh premises of the manufacturing plants of the Company during the year 2019-2020.

The Company while dealing with its suppliers/contractors and other concerned parties, always ensures to conducts its dealings in accordance with policy on Conservation and Preservation of the Environment.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company understands the global issue of climate change and aims to possible actions to address it. The Company is committed to;

i) Addressing environmental issues through efficient use of natural resources, promote use of renewable energy, minimization of wastes, water management, protecting the biodiversity and reducing carbon footprint.

ii) Effective implementation of environmental management system to prevent, mitigate and control environmental damages.

In the financial year under review, various initiatives on energy saving, water saving, waste reduction etc. were implemented. Major activities in this regard taken were as under;

a) LED lighting system –Marginal investment has been made to adopt more efficient LED lighting system in place of conventional lighting system. At Raipur plant about 50 to 55 % of lighting has already been replaced by efficient LED lighting system. Similarly at Raigarh location use of LED lighting system increased from 45% to 60%.

b) Power generation from Sponge Iron unit –The waste heat generated during Sponge Iron production is utilized to generate steam and the same get converted into Power with the help of Waste heat recovery Boiler. During the financial year 2019-2020 Raipur plant has generated about 10 MW power, similarly Raigarh plant has generated about 23 MW power during said period.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company assesses the potential impacts of its operations on the environment through the implementation of the policy on Conservation and Preservation of the Environment. Potential environmental risks are identified by Risk Management Department. Once risk is identified, steps are taken to measure and mitigate risk through the Management System approach.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
The Company has not done any work so far in Clean Development Mechanism (CDM). However, it is increasing its efforts in sourcing energy from renewable sources like Solar. The Company has submitted Form-V (Environmental statement) to SPCB by respective plants under Environment Protection Act & rules.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   No

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**
As on 31 March, 2020, there was no pending show cause or legal notices received from CPCB or SPCB.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
The Company is a member of Associated Chambers of Commerce and Industry of India (ASSOCHAM), PHD Chamber of Commerce & Industry, Pellet Manufacturers Association of India (PMAI) and Indian Steel Association.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   No.

Principle 8 - Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**
The Company has voluntarily adopted a Corporate Social Responsibility (CSR) policy which governs the CSR activities of the Company are governed as per the said policy. As the average net profit of the Company during the previous three financial years was negative, it was not mandated to spend any amount on CSR during 2019-2020. The Company has however voluntarily incurred ₹ 1.48 crores on certain social initiatives (see response to question 4 below for additional details). As a responsible Corporate Citizen, after the closure of the financial year 2019-2020, the Company has also contributed to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund) during the COVID-19 pandemic.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**
Voluntary social initiatives as mentioned hereinabove have been undertaken through support of Company's employees and nearby communities.

3. **Have you done any impact assessment of your initiative?**
No.

4. **What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.**
As the average net profit of the Company during the previous three financial years was negative, it was not mandated to spend any amount on CSR during 2019-2020.

   Details of voluntary social initiatives for community development programs undertaken by the Company during the financial year 2019-2020 are as under;

Sr. No.	Description voluntary social initiatives	Nature of activity	Amount spent in ₹ crores
1	Running a school for all children in and around the plants	Education	1.02
2	Occupational health care services, Dental camps.	Health	0.36
3	Play school arrangement for families in and around the plants	Community Development	0.08
4	Training in sewing for women and conducting examination	Women empowerment	0.02
	Total		**1.48**

Annexure-9

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   Identification and prioritization of community initiatives is done through participatory exercise at village level which is further endorsed by Gram Panchayats. The Company regularly engages with nearby villagers to ensure community development programs adopted by the respective beneficiaries are achieved with maximum possible benefits to the community.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year-**
   None. The Company has received 39 quality-related complaints in respect of DRI and Pellets from customers, all of which were satisfactorily resolved.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**
   The Company displays product information on labels as mandated by law supplemented by additional information per requirements of the customer.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   None.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
   As mentioned in Section C (3) above, during the financial year 2019-2020, the new management has undertaken repairs, maintenance, upgradation and modernization of the integrated steel operations at its Raigarh plant and operations are still stabilizing. The Company proposes to examine the need to carry out consumer surveys basis the market segment and the products dealt in by the Company and act accordingly.

Annexure-10

Corporate governance report

1) Company's Governance Philosophy

The Company believes that Corporate Governance is a set of guidelines to help the Company to fulfil its responsibilities to all its stakeholders. The Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success. The Company further exercises its fiduciary responsibilities in the widest sense of the term. In the same spirit, timely, transparent and accurate disclosure of information regarding the financial position, performance, ownership and governance of the company is an important part of the Company's Corporate Governance process.

The Board of Directors, guided by above philosophy, formulate strategies and policies having focus on optimizing value for various stakeholders like consumers, shareholders and the society at large. Your Company's Corporate Governance framework also ensures correct and timely intimation of disclosures and information as required to be disclosed to under the applicable regulations.

Your Company confirms the compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended.

2) Board of Directors

A. Composition and Category of Directors

The Company has an appropriate mix of Executive Director (ED), Non-Executive Directors (NED's) and Independent Directors (ID's) including women ID to maintain the Board's independence as well as separate its functions of governance and management. The maximum tenure of Independent Directors is determined in accordance with the Companies Act, 2013. The Independent Directors have also confirmed that they meet with the criteria of independence laid down under the provisions of Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

As on 31 March 2020, the Board comprised of eight members, one of whom is an ED, four NED's and three ID's. Detailed profile of your Directors is available on website of the Company viz www.aionjsw.in.

The details of each member of the Board along with the number of Directorship/Committee Membership in other Companies, as at 31 March 2020 are as follows:

Name of Directors	Category	Designation	Date of joining the Board	No. of Directorships in other listed and unlisted public companies (excluding Monnet Ispat and Energy Limited)	No. of Committee Memberships and Chairmanship in other Companies		The names of other listed entities where the Directors have Directorship and their category of directorship in such listed entities:	Number of shares / convertible instruments held by non-executive directors
					Chairperson	Member		
Jyotin Mehta DIN: 00033518	Chairman- Non-Executive Independent	Director	30 July 2018	7	2	3	Linde India Limited (Independent Director)	-
Anuradha Bajpai DIN: 07128141	Non-Executive Independent	Director	30 July 2018	6	3	3	-	-
Kalpesh Kikani DIN: 03534772	Non-Executive	Director	31 August 2018	5	-	-	-	-
Nikhil Gahrotra DIN: 01277756	Non-Executive	Director	31 August 2018	3	-	2	-	-

Annexure-10

Name of Directors	Category	Designation	Date of joining the Board	No. of Directorships in other listed and unlisted public companies (excluding Monnet Ispat and Energy Limited)	No. of Committee Memberships and Chairmanship in other Companies		The names of other listed entities where the Directors have Directorship and their category of directorship in such listed entities:	Number of shares / convertible instruments held by non-executive directors
					Chairperson	Member		
Ravichandar Moorthy Dhakshana DIN: 03298700	Executive	Whole-time Director	31 August 2018	2	-	-	-	NA
Sanjay Kumar DIN: 07929953	Non-Executive	Director	31 August 2018	-	-	-	-	-
Seshagiri Rao MVS DIN: 00029136	Non-Executive	Director	31 August 2018	2	-	1	JSW Steel Limited (Joint Managing Director and Group CFO)	-
Sutapa Banerjee DIN: 02844650	Non-Executive Independent	Director	27 September 2018	7	2	5	1. Niyogin Fintech Limited (Independent Director) 2. JSW Holdings Limited(Independent Director) 3. Manappuram Finance Limited(Independent Director) 4. Camlin Fine Science Limited (Additional Director) 5. Godrej Properties Limited (Additional Director)	-

Notes:

- Number of Directorships in other listed Companies pertains to Company whose securities are listed on the stock exchanges.
- The Committees considered for the purpose are those prescribed under Regulation 26 of the SEBI Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding Monnet Ispat and Energy Limited).
- Directorships in other Public Companies and Committee Memberships details are based on the disclosures received from the Directors, as on 31 March 2020.
- Directorship in other Companies excludes Private Limited Companies, Foreign Companies and Membership of Companies under Section 8 of the Companies Act, 2013.
- None of the Directors is a member of more than ten committees or acts as the chairman of more than five committees in all public Companies in which they are Director. Necessary disclosures regarding Committee positions in other Public Companies as on 31 March 2020 have been made by the Director. Also, none of the Independent Directors serve as Independent Director in more than seven listed companies.
- There is no relationship between directors inter-se.
- All the Independent Directors fulfills the criteria of being independent as mentioned under Regulation 16(1)(b) of SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013. The Company has issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013.The terms and conditions of appointment of Independent Directors including their roles, responsibilities and duties are available on the website of the Company, www.aionjsw.in

Annexure-10

B. Core Skills/Expertise/Competencies of Board of Directors

The Board of Directors has reviewed, identified and taken on record following available skills/expertise/competence of the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively.

Broad Categories of Skills	Core skills/ Expertise/ Competencies Identified by the Board	Mr. Jyotin Mehta	Mr. Seshagiri Rao M.V.S.	Mr. D Ravichan-dar	Mr. Nikhil Gahrotra	Mrs. Anuradha Bajpai	Mr. Kalpesh Kikani	Mrs. Sutapa Banerjee	Mr. Sanjay Kumar
Industry Knowledge	Knowledge of steel / metal sector and industry	√	√	√	√	√	√	-	√
	General knowledge of public policy of steel sector	√	√	√	-	√	-	√	√
	General understanding of government legislation /legislative process with respect to governance of the Board affairs	√	√	√	√	√	-	√	√
Technical knowledge	Accounting and Finance management	√	√	√	√	√	√	√	√
	Operations of steel/metal product manufacturing	-	-	√	-	√	-	-	√
	General understandings of Laws applicable to the Company and sector	√	√	√	-	√	√	-	√
	Marketing knowledge applicable to Company's product	-	√	√	-	√	-	-	√
	General understanding of Information technology	√	√	√	-	√	-	√	√
	Understanding of risk management systems and its implementation	√	√	√	-	√	-	√	√
	Strategy development and implementation	√	√	√	√	-	√	√	√
Governance	Strategic thinking/planning from governance aspect	√	√	√	√	√	√	√	√
	Compliance focus	√	√	√	-	√	-	√	√
	Executive performance management	√	√	√	√	√	√	√	√
Behavioural	Ability and willingness to challenge board issues/matters	√	√	√	√	√	√	√	√
	Integrity and high ethical standards;	√	√	√	√	√	√	√	√
	Understanding of effective decision making	√	√	√	√	√	√	√	√
	Willingness and ability to devote time and energy	√	√	√	√	√	√	√	√
	Mentoring abilities	√	√	√	√	√	-	√	√

C. Attendance of Directors

The Board meets at least once a quarter to review the quarterly financial results and other items on the agenda. Additional meetings are held, when necessary. The Committees of the Board meets whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting. The Directors also strive to attend the Annual General Meeting ('AGM') of the Shareholders.

Four (4) meetings of the Board of Directors were held during the year 2019-2020. The gap between any two Board meetings during this period did not exceed one hundred and twenty days.

Annexure-10

The details of attendance of Directors at the Board Meetings held and the 29th Annual General Meeting held during the year ended are given below: —

Name of Director(s)	17 May 2019	24 July 2019	21October 2019	20 January 2020	Whether attended AGM held on 19July, 2019
Jyotin Mehta	P	P	P	P	A
# Anuradha Bajpai	P	P	P	P	P
Kalpesh Kikani	P	P	A	P	A
@Nikhil Gahrotra	P	P	P	P	P
Ravichandar Moorthy Dhakshana	P	P	P	P	P
Sanjay Kumar	P	P	P	P	P
Seshagiri Rao MVS	A	P	P	P	A
Sutapa Banerjee	P	P	P	P	A

@member of the Audit Committee and Nomination and Remuneration Committee attended the 29th Annual General Meeting on behalf of the Chairman of the respective Committee(s) as duly authorized representative.

Chairperson of the Stakeholders Relationship Committee attended the 29th Annual General Meeting.

Note:

- Video conferencing (VC)/tele-conferencing (TC) facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.
- "A" denotes Absence and "P" denotes Presence in the meeting.

D. Board Meetings and Procedures

Scheduling and selection of agenda items for Board meetings:

A minimum of four Board meetings are held every year. Dates for the Board meetings in the ensuing quarter are scheduled well in advance and communicated to the Directors. The agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held as and when deemed necessary to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

In addition to items which are mandated to be placed before the Board for its noting and/ or approval, information is provided on various significant issues.

The Board is also provided with Audit Committee observations, if any on the internal audit findings and matters required to be included in the Director's 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.

In compliance with SEBI Listing Regulations, Directors, Key Managerial Personnel (KMP) and members of senior management of the Company, confirm their material interest in any transactions, if any, directly affecting the Company.

The Board of Directors had accepted all mandatory recommendations of the committees of the Board during the financial year under review.

Distribution of Board agenda material:

Agenda and detailed notes on agenda items are circulated to the Directors, in advance, in the defined format. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are considered.

Recording minutes of proceedings at Board and Committee meetings:

The draft minutes are circulated to the Board/ Committee members for their comments. The minutes of the proceedings of the meeting are entered into the minute book within thirty (30) days of the conclusion of the meeting and thereafter signed by the Chairman.

Post-meeting follow-up mechanism:

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/Committees. The important decisions taken at the Board/ Committee meetings are communicated to the concerned functional heads promptly. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee for noting by the Board/ Committee members.

Compliance:

While preparing the agenda, notes on agenda, minutes etc., of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the

Companies Act, 2013, read with the Rules made thereunder and secretarial standards issued by the Institute of Company Secretaries of India ('ICSI').

Familiarization programs for Independent Directors:
The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole.

Periodic updates on performance/developments giving highlights of performance of the Company including the developments/ events having impact on the business of the Company are also provided to the Directors.

The Company has also conducted familiarization programs to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates etc. The details of such familiarization programs are also available on the website of the Company https://www.aionjsw.in/investors/policies

E. Annual performance evaluation and its criteria:
Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and part D of Schedule II of the SEBI Listing Regulations and amendments thereof, a policy on Performance Evaluation Policy of the Company ("the Policy") has been framed as recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors.

Pursuant to Schedule IV of the Companies Act, 2013, a meeting of Independent Directors was held on 16 March 2020 without the presence of Executive and Non-Executive, Non-Independent Directors. The Independent Directors, inter-alia, evaluated the performance of Non-Independent Directors and the Board as a whole. It also evaluated the performance of the Chairman of the Board taking into account the views of Executive and Non-Executive Directors. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. All Independent Directors were present at the meeting.

Further, for the financial year 2019-2020 the Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the NRC. The performance evaluation of the Chairman, the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfill its fiduciary obligation to the Company.

A structured questionnaire was prepared after taking into consideration inputs received from Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc.

The Directors expressed their satisfaction with the evaluation process.

4) BOARD COMMITTEES

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with the approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at a regular interval and take necessary steps to perform its duties entrusted by the Board. The minutes of the Committee meetings are also placed before the Board in the next board meeting for noting.

The Board currently has the following Committees:

A) Audit Committee

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI Listing Regulation.

i. Brief description of charter/terms of reference of Audit Committee-
The brief description of charter/terms of reference of Audit Committee is broadly as under:

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees

Annexure-10

the work carried out in the financial reporting process by the management, the internal auditor, the statutory auditor, the cost auditor and the secretarial auditor and notes the processes and safeguards employed by each of them. The terms of reference of the audit committee are as per the guidelines set out in Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- matters required to be included in the director's 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;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;

  Provided that the Audit Committee may make omnibus approval of related party transactions proposed to be entered into by the Company subject to provisions of the SEBI Listing Regulations and the Companies Act 2013 read with applicable rules thereof and amendments to such provisions.
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- carrying out any other function as is mentioned in the terms of reference of the audit committee.
- reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary

exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

- reviewing compliance with the provisions of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 ('Amended Regulations') at least once in a financial year and shall verify on the effectiveness of the systems for internal control are adequate and are operating effectively;

ii. Composition of Audit Committee

The Audit Committee of the Board of Directors is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Companies Act, 2013. The Audit Committee is governed by charter/terms of reference which is in line with the regulatory requirements mandated under section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

During the year under review, Mrs. Anuradha Bajpai was appointed as the Chairperson of the Audit Committee w.e.f 30 March 2020, whereas, Mr. Jyotin Mehta stepped down as the Chairman of the Audit w.e.f. 30 March 2020 and continued as the member of the Committee.

As at 31 March 2020, the composition of Audit Committee consists of the following Directors:

1. Mrs. Anuradha Bajpai, Non-Executive Independent Director – Chairperson

2. Mr. Jyotin Mehta, Non-Executive Independent Director - Member

3. Mr. Nikhil Gahrotra, Non-Executive Director - Member

The Company Secretary of the Company acts as Secretary to the Committee.

The Audit Committee invites such executives including Chief Financial Officer, as it considers appropriate, representatives of Statutory Auditors and representatives of Internal Auditors to attend the meetings. There are no recommendations of the Audit Committee that have not been accepted by the Board.

iii. Audit Committee Meetings and Attendance:

The Audit Committee met 5 (five) times during the financial year 2019-2020. The maximum gap between two meetings was not more than one hundred and twenty days. The necessary quorum was present in the meeting.The table below provides the attendance of the Audit Committee members:

Name of Members	17 May 2019	24 July 2019	21 October 2019	20 January 2020	20 March 2020
# Anuradha Bajpai (Non-Executive Independent Director)	P	P	P	P	P
Nikhil Gahrotra (Non-Executive Director)	P	P	P	P	P
@Jyotin Mehta (Non-Executive Independent Director)	P	P	P	P	P

@ Chairman of the Audit committee upto 30 March 2020 and continued as member of the Committee thereafter.

Member of the Committee upto 30 March 2020 and Chairperson of Audit Committee w.e.f. 30 March 2020.

Note:

- Video conferencing (VC)/tele-conferencing (TC) facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.
- "A" denotes Absence and "P" denotes Presence in the meeting.

iv. Internal controls and governance processes

Internal control systems are integral to the Company's corporate governance. The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliances as well as an enhanced control consciousness.

The Board / management are of the opinion that based on the knowledge/ information gained by them about affairs of the Company from records of the Company, the Company has effective internal financial control systems and policies and such controls are operating effectively.

The internal control systems include documented policies, checks and balances, guidelines and procedures, that are supplemented by robust internal audit processes and monitored continuously through periodical reviews by management to provide reasonable assurance that all assets are safeguarded; and all transactions entered into by Company are authorized, recorded and reported properly.

v. Risk Management

The Company has adopted risk management framework for identifying and evaluating risks and opportunities that may

Annexure-10

have bearing on the organization. The Company recognizes that these risks need to be managed and mitigated to protect the shareholders and other stakeholders interest.

B) Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee ('NRC') is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with the criteria as stated by the Board in its Policy on Appointment and Removal of Directors and to recommend, for approval by the Board, nominees for election at the Annual General Meeting of the Shareholders.

The NRC also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management. The Committee has formulated the Remuneration Policy for Directors, KMPs and all other employees of the Company. The remuneration policy and the criteria for making payments to Non-Executive Directors is available on our website www.aionjsw.in.

i. Brief description of charter/terms of reference of Nomination and Remuneration Committee-

The brief terms of reference according to the provisions of Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 of the Nomination and Remuneration Committee, inter alia, includes the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- 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 of directors their appointment and removal;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management;

ii. Composition of Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, the Board has constituted its Nomination and Remuneration Committee. As at 31 March 2020, the Nomination and Remuneration Committee consists of the following three members:

1. Mrs. Sutapa Banerjee, Non-Executive Independent Director- Chairperson
2. Mr. Nikhil Gahrotra, Non-Executive Director- Member
3. Mr. Jyotin Mehta, Non-Executive Independent Director - Member

iii. Nomination and Remuneration Committee meetings and attendance:

The Nomination and Remuneration Committee met one time during the financial year 2019-2020 on 21 October 2019, wherein all member of the Committee were present.

iv. Nomination and Remuneration Policy:

The Company has the Nomination and Remuneration Policy for the Company in compliance with Regulation 19 of SEBI Listing Regulation read with provisions of Section 178 of the Companies Act, 2013. The said policy of the Company which has the criteria for making payments to Non-Executive Directors is available on the website of the company i.e. www.aionjsw.in.

The objective and purpose of this policy is as follows:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of such Directors, Key Managerial Personnel and other employees.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the steel industry.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

v. Details of remuneration paid to Directors for the year ended 31 March 2020

Name of Directors	Category	Remuneration paid to directors					Total (₹ in crores)
		Salary	Perquisites	Stock Option	Commission	Sitting	
Jyotin Mehta	Non-Executive Independent	-	-	-	-	0.040	0.040
Anuradha Bajpai	Non-Executive Independent	-	-	-	-	0.038	0.038
Sutapa Banerjee	Non-Executive Independent	-	-	-	-	0.024	0.024
Kalpesh Kikani	Non-Executive	-	-	-	-	-	-
Nikhil Gahrotra	Non-Executive	-	-	-	-	-	-
Sanjay Kumar	Non-Executive	-	-	-	-	-	-
Seshagiri Rao MVS	Non-Executive	-	-	-	-	-	-
Ravichandar Moorthy Dhakshana	Executive (Whole-time Director)	1.465	0.062	-	-	-	1.527
Total		**1.465**	**0.062**	**-**	**-**	**0.102**	**1.629**

Details of remuneration paid to Mr. Ravichandar Moorthy Dhakshana, Whole-time director of the Company as per Schedule V of the Companies Act 2013:

The details of remuneration paid to Mr. Ravichandar Moorthy Dhakshana, Whole-Time Director of the Company designated as 'Director - Corporate In-Charge' are stated above. The remuneration paid is within the overall limit of remuneration approved by the shareholders of the Company at the 28th Annual General Meeting.

The fixed component and performance linked incentives along with the performance criteria is as per as per the policy of the Company. Notice period is of three months and severance fees, if any, is as per the policy of the Company.

vi. Shareholding and pecuniary relationship of Non-Executive Directors:

During the financial year 2019-2020, none of Non-Executive Directors hold any shares in the Company. Further, there has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the financial year 2019-2020 except the sitting fees paid to Independent Directors for meetings of the Board and Committee(s) of Directors attended by them as stated above.

vii. Stock Option Scheme:

The Company does not have any Stock Option Scheme for its employees and Directors.

C) Corporate Social Responsibility (CSR) Committee

Corporate Social Responsibility Committee ('CSR Committee') of the Company is constituted pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The terms of reference of the Corporate Social Responsibility (CSR) Committee, inter alia, includes the following:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress;
- To monitor the corporate social responsibility policy of the Company from time to time;

During the year under review, Mr. Jyotin Mehta, Non-Executive Independent Director was appointed as the member of the CSR Committee w.e.f 30 March 2020.

As at 31 March 2020, the Corporate Social Responsibility Committee consists of the following four members:

1. Mr. Nikhil Gahrotra, Non-Executive Director- Chairman
2. Mr. Jyotin Mehta, Non-Executive Independent Director-Member
3. Mrs. Sutapa Banerjee, Non-Executive Independent Director- Member
4. Mr. Ravichandar Moorthy Dhakshana, Executive Director - Member

One (1) meeting of the CSR Committee was held on 17 May 2019, wherein all the members of the Committee were present.

D) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ('SRC') considers and resolves the grievances of our shareholders, debenture holders and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests and such other grievances as may be raised by the security holders from time to time.

Annexure-10

i. Terms of Reference:

The Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Amended Regulations read with section 178 of the Companies Act, 2013.The Board has clearly defined the terms of reference for this Committee, which generally meets once in a quarter.

The Committee looks into the matters of Shareholders / investors grievances along with other matters listed below:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

ii. Composition of Stakeholder Relationship Committee

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Amended Regulation, the Board has constituted its Stakeholder Relationship Committee.

During the year, Mr. Ravichandar Moorthy Dhakshana, Executive Director was appointed as the member of Stakeholders Relationship Committee' w.e.f. 30 March 2020, whereas Mr. Jyotin Mehta, Non-Executive Independent Director resigned as the member of the Stakeholders Relationship Committee' w.e.f. 30 March 2020.

As at 31 March 2020, the Stakeholder Relationship Committee consists of the following three members:

1. Mrs. Anuradha Bajpai, Non-Executive Independent Director- Chairperson
2. Mr. Ravichandar Moorthy Dhakshana, Executive Director- Member
3. Mr. Nikhil Gahrotra, Non-Executive Director- Member

iii. Meeting and Attendance:

The Stakeholder Relationship Committee met 4 (four) times during the financial year 2019-2020. The necessary quorum was present in the meeting. The table below provides the attendance of the Stakeholder Relationship Committee members:

Name of Members	17 May 2019	24 July 2019	21 October 2019	20 January 2020
Anuradha Bajpai (Non-Executive Independent Director)	P	P	P	P
@ Jyotin Mehta (Non-Executive Independent Director)	P	P	P	P
Nikhil Gahrotra (Non-Executive Director)	P	P	P	P

@ Member of the Committee upto 30 March 2020.

Note:

- Video conferencing (VC)/tele-conferencing (TC) facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.
- "A" denotes Absence and "P" denotes Presence in the meeting.

iv. Name and designation of compliance officer:

Name	:	Mr. Ajay Kadhao
Designation	:	Company Secretary and Compliance Officer
Address	:	Art Guild House, A-Wing, 2nd Floor, Unit No-13,
	:	Phoenix Mall Compound, LBS Marg, Kurla West, Mumbai-400070
Phone	:	022-68826700
E-mail	:	isc_miel@aionjsw.in

v. Details of the Shareholder's complaints received, redressed/pending during the financial year 2019-2020:

The details of total number of complaints received; resolved/ pending during the financial year 2019-2020 is as follow: -

Particulars	No. of Complaints
Number of complaints received from the investors (including the opening Balance as on 01 April 2019) comprising of non-receipt of dividend warrants where reconciliation is completed after end of the quarter, securities sent for transfer and transmission, annual report & complaints received from Regulatory/Statutory Bodies etc.	12
Number of complaints resolved during the year	12
Complaints Pending as at 31March 2020	-

The above table includes Complaints received by the Company through SEBI SCORES portal.

The Complaints are handled by Company's Registrars and Share Transfer Agents MCS Share Transfer Agent Ltd., New Delhi. The Stakeholder Relationship Committee monitors the complaints and other activities and also helps in resolving grievances wherever needed. A firm of Practicing Company Secretaries conducts the audit on quarterly basis and submits Capital Reconciliation Audit Report.

E) Business Responsibility Reporting (BRR) and International Trade Practice, Committee (earlier known as "International Trade Practices and Corporate Governance Committee")

During the year Securities and Exchange Board of India (SEBI) vide its notification dated 26 December 2019 extended the applicability of Business Responsibility Reporting ("BRR") in the Annual Report from present top 500 listed companies to top 1000 listed entities based on market capitalization.

Accordingly, the BRR reporting has become mandatory for the Company. The Board at the meeting held on 21 January 2020 renamed the Committee from "International Trade Practice, and Corporate Governance Committee" to "Business Responsibility Reporting (BRR) and International Trade Practice, Committee" ("BRR & ITP Committee") alongwith the following amended terms of reference;

- To monitor compliance by the Company with policies in relation to anticorruption laws and sanctions administered by the Office of Foreign Assets Control of the United States Treasury;
- Oversee the adoption of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) in business practices of the Company;
- Review the progress of initiatives under taken for implementation of business responsibility (sustainability) policies of the Company;
- Review the grievance redressed mechanism related to BR Policy and redressal of grievance of any stakeholder;
- Review business responsibility reporting disclosures to be made in Annual Report as per applicable statutory requirements;
- Recommend the annual business responsibility report to the Board for approval;
- Take such steps and actions as may be statutorily required under law for compliance of BRR reporting;

During the year the composition of BRR & ITP Committee remain unchanged and consists of the following Directors as its members on 31 March 2020:

1. Mrs. Anuradha Bajpai, Non-Executive Independent Director- Chairperson
2. Mr. Ravichandar Moorthy Dhakshana, Executive Director- Member
3. Mr. Nikhil Gahrotra, Non-Executive Director - Member

F) Finance Committee meeting:

The Finance Committee of the Board was constituted to consider and approve all types of loans and banking facilities up-to the certain specified limits outstanding at the given point of time and to meet the financing requirements of the Company requiring immediate action of the Board of Directors before a meeting of the Board could be convened.

As on 31 March 2020 the composition of Finance Committee of Directors comprises of the following Directors:

1. Mr. Seshagiri Rao MVS, Non-Executive Director -Member
2. Mr. Ravichandar Moorthy Dhakshana, Executive Director - Member
3. Mr. Kalpesh Kikani, Non-Executive Director - Member

The Finance Committee met 4 (four) times during the financial year 2019-2020. The necessary quorum was present in the meeting. The table below provides the attendance of the Finance Committee members:

Name of Members	17 May 2019	24 July 2019	21 October 2019	20 January 2020
Ravichandar Moorthy Dhakshana (Executive Director)	P	P	P	P
Seshagiri Rao MVS (Non-Executive Director)	A	P	P	P
Kalpesh Kikani (Non-Executive Director)	P	A	A	P

Note: "A" denotes Absence and "P" denotes Presence in the meeting.

Annexure-10

5) GENERAL BODY MEETINGS

A. Details of last three Annual General Meetings (AGM) held:

AGM	Date & Time	Place of Meeting	Details of Special Resolution Passed
29th	19 July 2019, 01:30 P.M.	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101.	• To approve amendment to the Articles of Association of the Company for incorporating provisions of the loan document.
28th	27 December 2018 01:30 P.M (Refer Note)	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101	• To appoint and approve remuneration of Mr. Ravichandar Moorthy Dhakshana (DIN: 03298700) as a Whole-time Director
27th	28 September 2017, 02:30 P.M	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh-492101	• No special resolution passed

The above resolutions were passed with requisite majority.

Note:
The Registrar of the Companies, Chhattisgarh, granted an extension for holding the 28th Annual General Meeting of the Company.

B. Details of Special Resolutions passed during the financial year 2019-2020 through Postal Ballot;

No special resolution was passed through postal ballot in the said period.

C. Details of Special Resolutions proposed through Postal Ballot;

No special resolution is proposed through postal ballot as on the date of this report.

6) MEANS OF COMMUNICATION

A. 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 closure of the financial year as per the requirement of the SEBI Listing Regulation, as amended from time to time;

B. The Company normally publishes quarterly results/ half yearly in leading business newspapers national daily of the country like "Financial Express" (English language) and "The Raj Express" (vernacular language) in accordance with the SEBI Listing Regulations and circulates the same to stock exchanges and the shareholders;

C. The official news releases, including the quarterly, half yearly and annual results and presentations made to institutional investors/analysts, if any, are also posted on the Company's website www.aionjsw.in;

D. The Company also ensures that the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, details of agreements entered into with media companies and/or their associates and other information as required under Companies Act, 2013 and SEBI listing Regulations are promptly and prominently posted on its website www.aionjsw.in;

E. There is a separate section under ''Investors" on the Company's website which gives information on unclaimed shares to be deposited to the Government and other relevant information of interest to the investors / public.

7) GENERAL SHAREHOLDERS INFORMATION

A. Annual General Meeting

Day and Date	:	22 July 2020
Time	:	02.30 P.M. (IST)
Venue	:	The AGM shall be held through Video Conference (VC) / Other Audio Visual Means(OAVM) in compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs (MCA Circulars)and other applicable provisions of the Companies Act, 2013 and circulars issued byte Securities and Exchange Board of India(SEBI) without the physical presence of the Members at a common venue. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
Financial Year	:	2019-2020
Book Closure / Record Date	:	16 July 2020 to 22 July 2020 (both days inclusive)

B. Financial Year Calendar (Tentative):

The Company follows the period of 1 April to 31 March, as the financial year. The tentative dates for Board Meetings for consideration of quarterly financial results are as below:

First Quarter Results	:	on or before August 14, 2020
Second Quarter and Half Yearly Results	:	on or before November 14, 2020
Third Quarter Results	:	on or before February 14, 2021
Fourth and Audited Annual Results	:	on or before May 30, 2021

C. Dividend Payment	:	No dividend has been recommended for the financial year 2019-2020.
D. Registered Office Address	:	Monnet Marg, Mandir Hasaud, Raipur, Chhattisgarh - 492101.
CIN	:	L02710CT1990PLC009826

E. Listing on Stock Exchanges:

The equity shares of your Company are listed and traded on National Stock Exchange of India Limited and BSE Ltd.

National Stock Exchange of India Limited	BSE Limited
'Exchange Plaza', Bandra Kurla Complex, Bandra (E), Mumbai- 400051.	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001
website : www.nseindia.com	website : www.bseindia.com

In addition to the above, the equity shares of the Company are also listed on Calcutta Stock Exchange Limited (CSE), however the Company had filed applications for de-listing of its Securities from CSE. Pending this application, CSE suspended listing/trading of securities of the Company and CSE asked the Company to update the compliances status before acceptance of the de-listing application. For the purpose, the Company has vide application dated 7 April 2016 submitted the information sought by CSE for revocation of suspension.

The annual listing fee for the listed equity shares for the year 2020-2021 have been paid to BSE Ltd and National Stock Exchange Limited.

F. Stock Codes/Symbol:

National Stock Exchange of India Limited	:	AIONJSW
BSE Limited	:	513446
Calcutta Stock Exchange Limited	:	23037

G. Non-Convertible Debentures :

During the year, pursuant to the NCDs been extinguished from the records of National Securities Depository Limited and Central Depository Services (India) Limited, respectively. Thereafter BSE Limited vide notice dated 25 June 2019, delisted the NCD's from the exchange.As on 31 March 2020, the Company does not have any outstanding NCDs.

H. Credit Rating:

During the year under review CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited) in the month of April 2019 had assigned the credit rating of "A-" Stable for long term bank facilities (term loan and fund based-cash credit) and "A- Stable/A2+" for non-fund based long/short term bank facilities bank guarantees of the Company.

However, CARE Ratings Limited in the month of March 2020 revised the credit ratings of the Company to "BBB+" Stable for long term bank facilities (term loan and fund based-cash credit) and "BBB+; Stable/A2" for non-fund based long/short term bank facilities bank guarantees of the Company.

I. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2019-2020 on NSE and BSE:

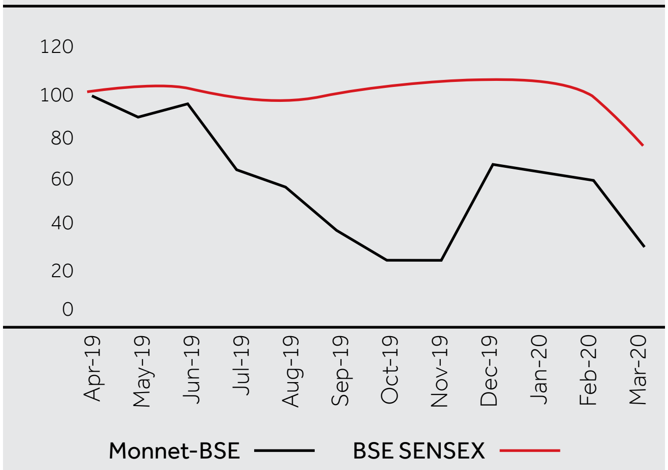
Month	BSE			NSE		
	High (₹)	Low(₹)	Total Volume	High (₹)	Low(₹)	Total Volume
April – 2019	31.45	23.90	3,38,502	30.95	23.95	13,74,429
May- 2019	24.90	19.85	2,15,466	24.90	19.70	8,52,514
June- 2019	25.00	15.20	5,05,479	25.20	15.25	14,35,628
July – 2019	23.75	15.10	2,74,521	23.45	15.20	7,41,426
August – 2019	16.80	13.10	1,87,149	16.50	13.10	3,93,684
September-2019	14.75	11.45	4,84,926	14.75	11.45	10,06,987
October- 2019	11.66	8.10	3,08,751	12.00	9.25	11,20,377
November- 2019	11.60	9.78	5,38,629	11.40	9.40	21,20,097
December- 2019	15.30	8.50	10,61,727	15.00	8.70	38,26,530
January- 2020	19.35	13.95	23,30,676	19.30	13.70	63,88,955
February- 2020	16.34	13.10	10,04,248	16.40	13.00	22,92,820
March- 2020	13.84	8.00	7,42,036	13.80	8.00	18,07,455

Annexure-10

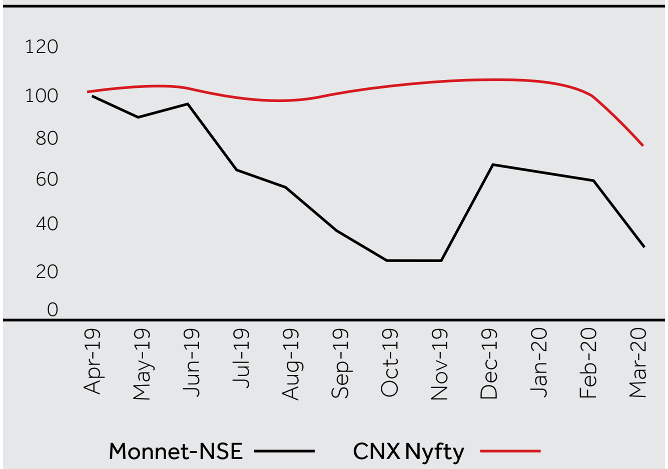
J. Stock Performance:

The performance of the Company's share relative to the BSE Sensitive Index and CNX Nifty (on closing rates at the end of each month in respective stock exchange) considering 100 as the base is given in the chart below:

Stock Performance vis-a-vis BSE Sensex



Stock Performance vis-a-vis CNX NIFTY



K. Registrar and Transfer Agent:

Share transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Transfer Agents. Details of Registrar and Transfer Agents are as under-

Registrar and Transfer Agents	:	MCS Share Transfer Agent Ltd
Address	:	F-65, Okhla Industrial Area, Phase-I, New Delhi – 110 020
Contact details	:	Tel.: 011- 41406149 Fax : 011- 41709881 Email Address: admin@mcsregistrars.com

Share transfers system:

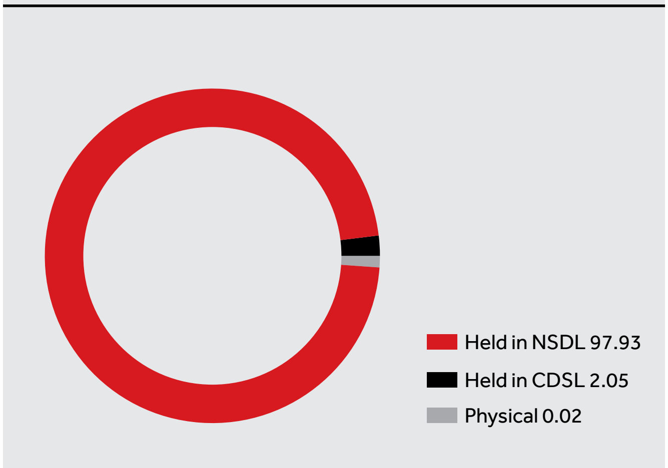
Physical shares sent for transfer are duly transferred within 15 days of receipt of documents, if found in order. Shares under objection are in general returned within 15 days. MCS Share Transfer Agent Ltd, Share Transfer Agents of the Company, is authorized to sign the share certificates on behalf of the Company for expeditious disposal of transfer requests.

In case of shares in electronic form, the transfers are processed by National Securities Depository Limited/Central Depository Services(India) Limited through respective Depository Participants. In compliance with the SEBI Listing Regulation, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

L. Dematerializations of Shares and Liquidity

As at 31 March, 2020, 99.99 % of Equity capital was held in Electronic form with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Normally, requests of dematerialization of shares are processed and confirmed within 15 days of receipt to NSDL and CDSL.

Dematerialization of shares (%)



Further, the entire Compulsory Convertible Preference Shares of the Company are held in demat mode.

- **Shares held in Electronic Form**
  Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given directly to the DP.

- **Shares held in Physical Form**
  Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, nomination and power of attorney should be given to the Company's RTA viz. MCS Share Transfer Agents Limited, Delhi.

Annexure-10

M. Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any convertible instruments, conversion date and likely impact on equity:

As on 31 March 2020, the Company has no outstanding GDRs / ADRs / Warrants. The Company has issued 525,980,000 Compulsory Convertible Preference Shares (CCPS) which are outstanding as on 31 March 2020. Each CCPS shall be convertible into 1 (one) equity share at any date prior to the expiry of the term of 20 (Twenty) years from the date of issuance of the CCPS ("CCPS Term") at the option of the holder of the CCPS. Unless already converted each CCPS outstanding at the expiry of the CCPS Term shall be compulsorily converted into 1 (one) equity share of the Company. None of the CCPS holders has exercised the option to convert CCPS in equity share for the financial year ended on 31 March 2020, there was no impact on equity capital of the Company as on 31 March 2020, the period for with the Annual Report pertains.

N. Shareholding as on 31 March 2020

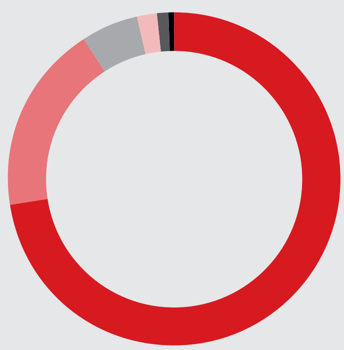
i. Distribution of Shareholding:

Category	No. of Folios	% of Shareholders	No. of Shares	% of Capital
1 – 500	27559	82.69	3051395	0.65
501 - 1000	2563	7.69	1939872	0.41
1001 - 2000	1459	4.38	2197690	0.47
2001 - 3000	459	1.38	1156603	0.25
3001 - 4000	340	1.02	1179640	0.25
4001 - 5000	207	0.62	960321	0.20
5001 - 10000	356	1.07	2604357	0.55
10001-50000	271	0.81	5406404	1.15
50001-100000	42	0.13	3138906	0.67
Above 100000	72	0.22	447912346	95.39
Total	**33328**	**100.00**	**469547534**	**100.00**

ii. Shareholding pattern:

Shareholding pattern of the Company as on 31 March 2020 is given as under:

Category	As on 31 March 2020	
	No. of Equity Shares	Percentage (%)
Promoters & Promoter Group	349110785	74.35
Foreign Portfolio Investors	1516939	0.32
Financial Institutions/ Banks	83118392	17.70
Insurance Companies	1682577	0.36
Individuals	25844534	5.50
NRI's / OCB's / Foreign Nationals/ IEPF/ Others	8274307	1.76
Total	**469,547,534**	**100.00**



Top ten Shareholders as on 31 March 2020:

Name of the Shareholders	No. of Shares	%Age of Paid-Up Capital
Creixent Special Steels Limited	225934607	48.12
AION Investments Private II Limited	99461544	21.18
State Bank of India	25478624	5.43
JTPM Atsali Limited	23508427	5.01
ICICI Bank Limited	5879217	1.25
Punjab National Bank	4388228	0.93
UCO Bank	4212967	0.90
Oriental Bank of Commerce	4063763	0.87
Dena Bank	3950421	0.84
Union Bank of India	3918876	0.83
Total	**400796674**	**85.36**

Annexure-10

O. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/unpaid dividend are available on the website of the Company viz. www.aionjsw.in.

Details of unclaimed dividend as on 31 March 2020 and due dates for transfer are as follows:

Interim / Final Dividend	Financial Year	Date of declaration of Dividend	Transfer to Unpaid dividend A/c	Dividend (₹ Per share*)	Last date of claiming from the Company	Transfer to IEPF
Final Dividend	2012-2013	30 Sept 2013	06 Nov 2013	1.5	30 Sept 2020	06 Nov 2020
Final Dividend	2013-2014	27 Sept 2014	03 Nov 2014	1.0	27 Sept 2021	03 Nov 2021

* On the face value of ₹10/- per share fully paid-up.

P. Mandatory transfer of shares to demat account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the demat account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such demat account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the demat account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules.

In accordance with the aforesaid IEPF Rules, the Company has sent notice to all the shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement in this regard.

Q. Commodity price risk or foreign exchange risk and hedging activities

The Company has in place a Board approved policy which establishes the financial risk management framework and defines the procedures and controls for the effective management of the Company's risks that arise due to imports of raw material, capital goods and exports of steel, pellets and sponge iron. Currency hedging is guided by the Hedging Policy adopted by the Company.

Exposure of the Company to the following material commodities was as under;

Commodity Name	Actual exposure		% of such exposure hedged through commodity derivatives				Total
	Exposure in ₹ towards the particular commodity (in ₹ crores)	Exposure in Quantity terms towards the particular commodity (in metric ton)	Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Iron Ore	862.63	2,400,788	The Company has not hedged commodities.				
DRI Coal	552.03	759,230					
Coke	330.13	137,240					

R. Plant Location

Raipur Works	:	Monnet Marg, Mandir Hasaud, Raipur- 492101 (Chhattisgarh).
Raigarh Works	:	Village Naharpali, Tehsil Kharsia, Distt. Raigarh-496661(Chhattisgarh)

S. Address for correspondence

Corporate Office	:	Art Guild House, A-Wing, 2nd Floor, Unit No-13,Phoenix Mall Compound, LBS Marg, Kurla West, Mumbai-400070 Phone: 022-68826700 E-mail: isc_miel@aionjsw.in

8) OTHER DISCLOSURES:

A. Related Party Transactions

Details of related parties and related party transactions as required under Accounting Standard 18 (AS-18) are furnished under Note No. 38 of the notes to the accounts attached with the standalone financial statements of the Company for the year ended 31 March 2020.

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the year under review were on an arm's length price basis and in the ordinary course of business and thus a disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. Further, there are no material related party transactions during the financial year under review with the any related party. All related party transactions are reviewed and approved by the Audit Committee. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such related party transactions. The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a "Policy on Materiality of Related Party Transactions (RPT) and dealing with RPT" and the same has been uploaded on the website of the Company and can be accessed at www.aionjsw.in.

During the financial year 2019-2020, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying Director's remuneration. Further, the Directors have not entered into any contracts with the Company or its subsidiaries, which will be in material conflict with the interest of the Company.

B. Details of fees paid by the Company on consolidated basis to the statutory auditor and to all entities in the network firm/network entity of which the statutory auditor is a part is as under:

Type of service	Amount (in ₹ crores)
- Audit fees	0.650
- Reimbursement of expenses	0.003
Total	**0.653**

C. Matters related to capital market

Post implementation of the Resolution Plan of the Company as approved by the Hon'ble National Company Law Tribunal, Mumbai, vide its order 24 July 2018, there was no non-compliance by the Company, nor have any penalties or strictures been imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years.

D. Details of Vigil mechanism, Whistle blower Policy

The Vigil Mechanism approved by the Board provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures regarding the unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Under the Policy, every Director, employee or vendor of the Company has an assured access to the Chairman of the Audit Committee. Details of the Vigil Mechanism are given in the Directors' Report and no personnel has been denied access to the Audit Committee. The whistle blower policy is available on the Company's website www.aionjsw.in.

E. Compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all the mandatory requirements of Stock Exchanges, SEBI Listing Regulations and other statutory authorities during the last three years. The Company has not adopted any non-mandatory requirement of the SEBI Listing Regulations.

F. Subsidiary Companies

All subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage companies in the best interest of their stakeholders. During the financial year under review the Company did not have any material subsidiary as per provisions of SEBI Listing Regulations and Policy for determining material subsidiaries of the Company. During the financial year under review, Chomal Exports Private Limited and Monnet Sports Foundation ceased as subsidiaries of the Company with effect from 15 February 2020. The Company monitors performance of subsidiary in the following ways:

Annexure-10

a) Minutes of Board meetings of the unlisted subsidiary were placed before the Company's Board;

b) Significant transaction, arrangement, investments, if any, of the unlisted subsidiary, are reviewed by the Board/ Audit Committee of the Company;

G. Declaration affirming compliance of Code of Conduct

The Company has adopted "Code of Conduct for Directors and Senior Management Personnel" ('Code') pursuant to the provisions of regulation 17 of the SEBI Listing Regulations, which is available on the website of the Company www.aionjsw.in.

The Company has received declarations under Regulation 26(3) of the SEBI Listing Regulations from other Directors and members of the Senior Management of the Company to whom the Code of Conduct is applicable.

H. Code of Conduct for prevention of Insider Trading

The Company has adopted a "Code of Internal Procedures and Conduct for Regulation, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives" pursuant to SEBI Listing Regulations as amended, with a view to regulate, monitor and report trading in securities of the Company by its Directors and designated persons.

I. Certificate from a Company Secretary

Pursuant to Regulation 34(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being the appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority, is annexed to this report.

J. Certificate on Corporate Governance

As required by Regulation 34(3) Schedule V (E) of the SEBI Listing Regulations, the certificate from Practicing Company Secretary regarding compliances of conditions of Corporate Governance is annexed to this report.

K. CEO/CFO Certification

The Board has received a compliance certificate from, the Whole Director of the Company and the Chief Financial Officer of the Company pursuant to Regulation 17 (8) read with Schedule II Part B of SEBI Listing Regulations.

L. Disclosure under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013

The Company has laid down Anti Sexual Harassment Policy on gender equality, gender protection, prevention of sexual harassment and redressal system in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, Apprenticeship) are covered under this policy. Details of the complaints filed, disposed or pending as on the end of the financial year are;

i.	Number of complaints filed during the financial year	- NIL
ii.	Number of complaints disposed of during the financial year	- NIL
iii.	Number of complaints pending as on the end of the financial year	- NIL

M. Disclosure of Accounting Treatment

The financial statement of the Company is prepared as per the prescribed Indian Accounting Standards (Ind-AS) and reflects true and fair view of the business transactions in the Corporate Governance.

N. Disclosures with respect to demat suspense account/unclaimed suspense account

The Company doesn't have any shares in the demat suspense account/unclaimed suspense account.

Disclaimer:

The information furnished above is certified by Monnet Ispat and Energy Limited (the Company) to be true, fair and accurate (except in respect of errors in or omissions from documents filed electronically that result solely from electronic transmission errors beyond our control and in respect of which we take corrective action as soon as it is reasonably practicable after becoming aware of the error or the omission). Securities and Exchange Board of India (SEBI), the Stock Exchanges or the National Informatics Center (NIC) do not take any responsibility for the accuracy, validity, consistency and integrity of the data entered and updated by it.

By order of the Board
For **Monnet Ispat and Energy Limited**

JyotinMehta
Chairman
DIN: 00033518

Place: Mumbai
Date: 18 May 2020

Corporate Governance Compliance Certificate

RNS/2020-21/03

TO THE MEMBERS OF

MONNET ISPAT AND ENERGY LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter reference no. RNS/EL/2019-20/03A dated July 24, 2019.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Monnet Ispat and Energy Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015as amended(the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Rakesh Sharma
Partner
(Membership No. 102042)
(UDIN : 20102042AAAAAY4210)

Place: Mumbai
Date: 18 May 2020

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT FOR SENIOR MANAGEMENT PERSONNEL

In accordance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Ravichandar Moorthy Dhakshana, Whole Time Director of the Company, the Board Members and Senior management personnel has affirmed the compliance with the Code of Conduct for the financial year ending March 31, 2020.

For **Monnet Ispat and Energy Limited**

Ravichandar Moorthy Dhakshana
Whole-time Director
DIN: 03298700

Date: 18 May 2020
Place: Mumbai

CERTIFICATE PURSUANT TO THE PROVISIONS OF REGULATION 34(3) READ WITH SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members
Monnet Ispat and Energy Limited
Monnet Marg, Mandir, Hasaud, Raipur,
Chhattisgarh - 492 101.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Monnet Ispat and Energy Limited having CIN L02710CT1990PLC009826 and having registered office at Monnet Marg, Mandir, Hasaud, Raipur, Chhattisgarh - 492101 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Seshagiri Rao Metlapalli Venkata Satya	00029136	31-08-2018
2.	Mr. Jyotin Kantilal Mehta	00033518	30-07-2018
3.	Mr. Nikhil Omprakash Gahrotra	01277756	31-08-2018
4.	Ms. Sutapa Banerjee	02844650	27-09-2018
5.	Mr. Ravichandar Moorthy Dhakshana	03298700	31-08-2018
6.	Mr. Kalpesh Pankaj Kikani	03534772	31-08-2018
7.	Ms. Anuradha Ambar Bajpai	07128141	30-07-2018
8.	Mr. Sanjay Kumar	07929953	31-08-2018

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. Srinivasan & Co.,**
Company Secretaries

Sd/-
S. Srinivasan
FCS: 2286CP. No: 748
UIN: S1984TN002200

Place: Chennai
Date: 18 May 2020

Financial statements

74 Standalone financial statement
133 Consolidated financial statement

Independent auditor's report

TO THE MEMBERS OF MONNET ISPAT AND ENERGY LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Monnet Ispat and Energy Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditor's Response
Recoverable value assessment of Property, plant and equipment The Company to revamp its manufacturing facilities, temporarily shut-down some of its plants at Raigarh location. In view of operating losses under such stabilisation phase, sluggish demand and pricing pressures, the management has assessed the recoverable value of property, plant and equipment engaging an independent external expert. Replacement cost estimation involves significant judgement and estimates. [Refer note 45 to the standalone financial statements]	Our procedures included but not limited to: • Evaluating the design and implementation, and testing the operating effectiveness of the relevant controls over determination of recoverable value of property, plant and equipment • Assessing the accuracy and completeness of the information shared with the independent expert engaged by the management • Evaluating the reasonableness of the valuation provided by the independent expert by challenging the significant assumptions used and estimates and judgements made in deriving the valuation with the help of internal fair value specialist • Assessing the competence and independence of the valuation expert engaged by the Company for determining the replacement cost of property, plant and equipment • Verification of accounting implications, if any, and appropriateness of disclosures in the standalone financial statements

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors report, Management Discussion and Analysis and Business Responsibility Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial

Independent auditor's report

statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

The comparative financial information of the Company as at and for the year ended 31st March 2019 prepared in accordance with Ind AS included in these standalone financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on such comparative financial information dated 17th May, 2019 expressed an unmodified opinion.

Our opinion on the standalone 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 comparative financial information.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company did not have 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 (IEPF) by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Rakesh Sharma)
Partner
(Membership No. 102042)
(UDIN No. : 20102042AAAAAT2603)

Place: Mumbai
Date: 18.05.2020

Annexure "A" to the independent auditor's report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Monnet Ispat and Energy Limited ("the Company") as of 31 March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Rakesh Sharma)
Partner
(Membership No. 102042)
(UDIN No. : 20102042AAAAAT2603)

Place: Mumbai
Date: 18.05.2020

Annexure B to the independent auditor's report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section 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) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement. There are no buildings that have been acquired or taken on lease.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have unclaimed deposits as at 31st March, 2020 and accordingly, the provisions of sections 73 to 76 or any other relevant provisions of the Act are not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company 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 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Services Tax, Customs Duty, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods & Services Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Goods & Services Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31 March, 2020 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has neither taken any loans or borrowings from the Government nor has issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has neither raised any moneys by way of initial public offer/ further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

Annexure B to the independent auditor's report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or any persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Rakesh Sharma)
Partner
(Membership No. 102042)
(UDIN No. : 20102042AAAAAT2603)

Place: Mumbai
Date: 18.05.2020

Balance sheet

As at 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

			Notes	As at 31 March 2020	As at 31 March 2019
A.	**ASSETS**				
1.	**Non-current assets**				
	a.	Property, plant and equipment	4	3,219.68	3,372.55
	b.	Capital work-in-progress		237.63	153.63
	c.	Right of use assets	37	29.58	-
	d.	Investments in subsidiaries, associate and joint ventures	5	-	-
	e.	Financial assets			
		i. Investments	6	0.75	0.99
		ii. Other financial assets	7	24.34	18.58
	f.	Current tax assets (net)	8	3.25	2.13
	g.	Other Non-current assets	9	21.35	6.36
	Total non-current assets			**3,536.58**	**3,554.24**
2.	**Current assets**				
	a.	Inventories	10	857.49	658.81
	b.	Financial assets			
		i. Trade receivables	11	51.77	32.98
		ii. Cash and cash equivalents	12 a	35.20	165.31
		iii. Bank balance other than above	12 b	130.23	48.12
		iv. Derivative assets	13	7.75	-
		v. Loans	14	0.34	9.73
		vi. Other financial assets	15	1.45	9.43
	c.	Other current assets	16	135.03	161.66
	d.	Assets classified as held for sale	43	5.96	3.31
	Total current assets			**1,225.22**	**1,089.35**
	Total Assets			**4,761.80**	**4,643.59**
B.	**EQUITY AND LIABILITIES**				
	Equity				
	a.	Share capital	17	995.53	995.53
	b.	Other equity	18	490.46	982.27
	Total equity			**1,485.99**	**1,977.80**
Liabilities					
1.	**Non-current liabilities**				
	a.	Financial liabilities			
		i. Borrowings	19	2,251.53	2,044.10
		ii. Lease liabilities	20	29.83	-
	b.	Provisions	21	4.64	3.23
	c.	Deferred tax liabilities (Net)	22	-	-
	Total non-current liabilities			**2,286.00**	**2,047.33**
2.	**Current liabilities**				
	a.	Financial liabilities			
		i. Borrowings	19	367.63	154.21
		ii. Trade payables	23		
		- Total Outstanding dues of micro and small enterprises		1.35	3.36
		- Total Outstanding dues of creditors other than micro and small enterprises		487.57	396.27
		iii. Derivative liabilities	24	0.20	-
		iv. Other financial liabilities	25	99.51	33.83
	b.	Other current liabilities	26	32.71	30.48
	c.	Provisions	21	0.84	0.31
	Total current liabilities			**989.81**	**618.46**
	Total equity and liabilities			**4,761.80**	**4,643.59**

The accompanying notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rakesh Sharma
Partner

Place : Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana
Whole Time Director
DIN: 03298700

Nikhil Gahrotra
Director
DIN: 01277756

J. Nagarajan
Chief Financial Officer

Ajay Kadhao
Company Secretary
M. No. ACS-13444

Statement of profit and loss

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
INCOME FROM OPERATIONS			
a. Gross sales	27A	2607.76	1872.35
b. Other operating income	27B	30.40	7.06
Total revenue from operations		**2638.16**	**1879.41**
c. Other income	28	25.97	26.83
Total income (I)		**2,664.13**	**1,906.24**
EXPENSES			
a. Cost of material consumed		1,977.84	1,744.01
b. Changes in inventories of finished goods, stock in trade and work-in-progress	29	(34.48)	(266.01)
c. Employee benefits expense	30	116.46	89.34
d. Finance costs	31	253.32	445.27
e. Depreciation and amortisation expense	32	216.99	275.60
f. Power and fuel		287.28	147.85
g. Other expenses	33	334.88	163.37
Total expenses (II)		**3,152.29**	**2,599.43**
Loss before exceptional items and tax (I-II)		**(488.16)**	**(693.19)**
Exceptional items	34	**-**	**2,767.92**
Loss before tax		**(488.16)**	**(3,461.11)**
Tax expense:	22		
Current Tax		-	-
Deferred Tax		-	-
Loss after tax for the year		**(488.16)**	**(3,461.11)**
Other comprehensive (loss) / income			
i. Items that will not be reclassified to profit or loss			
a. Remeasurement of net defined benefit plans		(3.41)	1.01
b. Equity instruments through other comprehensive income		(0.24)	(34.05)
ii. Income tax effect		-	-
Total other comprehensive loss		**(3.65)**	**(33.04)**
Total comprehensive loss for the year		**(491.81)**	**(3,494.15)**
Earnings per equity share of ₹ 10/- each	35		
(1) Basic		(10.40)	(94.44)
(2) Diluted		(10.40)	(94.44)

The accompanying notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rakesh Sharma
Partner

Place : Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana
Whole Time Director
DIN: 03298700

Nikhil Gahrotra
Director
DIN: 01277756

J. Nagarajan
Chief Financial Officer

Ajay Kadhao
Company Secretary
M. No. ACS-13444

Statement of cash flows

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net loss before tax		(488.16)		(3,461.11)
Adjusted for :				
Depreciation and amortization expenses	216.99		275.60	
Interest income	(11.55)		(14.09)	
Interest expenses	253.32		445.27	
(Profit)/loss on sale of property, plant and equipment	(0.01)		0.04	
Unrealised exchange loss/(gain)	3.59		(1.55)	
Gain arising of financial instruments designated as FVTPL (net)	(7.55)		-	
Provision/ liability written back	(4.68)		-	
Provision for non recoverable advances	1.80		-	
Provision on inventories	36.68		50.04	
Gain on sale of investments	(0.09)		-	
P&L balance transferred on merger	-		(2.59)	
Impairment of non current investments	-		587.72	
Impairment of property, plant and equipment	-		2,429.75	
Non recoverable advances written off	-		802.23	
Financial liability written back	-		(1,008.32)	
Operational liability written back	-		(165.46)	
Impairment of inventories	-		79.30	
Write off of trade receivables	-		15.70	
		488.50		3,493.64
Operating Profit before working capital changes		0.34		32.53
Working capital adjustments:				
Increase in inventories	(235.36)		(467.19)	
Increase in trade and other receivables	(70.26)		(116.68)	
Increase in trade and other liabilities	110.59		355.99	
(Decrease)/ increase in provisions	(1.47)		0.14	
		(196.50)		(227.74)
Cash used in operations		(196.16)		(195.21)
Income taxes paid (net)		(1.12)		(1.28)
Net cash used in operating activities		**(197.28)**		**(196.49)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment including under development	(129.23)		(48.43)	
Cash and cash equivalents acquired on merger	-		675.15	
Proceeds from sale of subsidiaries	*		-	
Proceeds from sale of property, plant and equipment	0.28		0.26	
Purchase of investments	(31.50)		-	
Proceeds from sale of investments	31.59		-	
Interest received	10.47		14.09	
Net cash (used in)/ generated from investing activities		**(118.39)**		**641.07**

Statement of cash flows

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(233.91)		(118.29)	
Payment of lease liabilities	(1.04)		-	
Proceeds/ (repayment) of long term borrowings	207.09		(96.24)	
Proceeds/ (repayment) of short term borrowings (net)	213.42		(156.12)	
Net cash generated from/ (used in) financing activities		**185.56**		**(370.65)**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)		**(130.11)**		**73.93**
Cash and cash equivalents at the beginning of the year		**165.31**		**91.38**
Cash and cash equivalents at the end of the year		**35.20**		**165.31**

* ₹ 2

Notes:

The standalone statement of cash flows has been prepared using the indirect method as set out in Ind AS 7 - Statement of Cash Flows.

The accompanying notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rakesh Sharma
Partner

Place : Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana
Whole Time Director
DIN: 03298700

Nikhil Gahrotra
Director
DIN: 01277756

J. Nagarajan
Chief Financial Officer

Ajay Kadhao
Company Secretary
M. No. ACS-13444

Statement of changes in equity

for the year ended 31 March 2020

A. SHARE CAPITAL FOR ISSUED, SUBSCRIBED AND PAID UP SHARES

(Amount in ₹ crores, unless otherwise stated)

Particulars	Note	Equity share capital	Preference share capital	Total
As at 1 April 2018	17	200.79	-	200.79
Changes during the year		268.76	525.98	794.74
As at 31 March 2019	17	469.55	525.98	995.53
Changes during the year		-	-	-
As at 31 March 2020	17	**469.55**	**525.98**	**995.53**

B. OTHER EQUITY (Refer note 18)

	Reserves and Surplus								Items of OCI	Total equity
	Capital reserve	Share premium	Debenture redemption reserve	Capital redemption reserve	Capital reconstruction reserve	Amalgamation reserve	Equity contribution resulted on merger	General reserve	Retained earnings	Equity instruments through OCI	
As at 1 April 2018	77.77	1,114.46	86.02	1.89	19.68	3.31	-	164.07	(4,677.47)	(68.21)	(3,278.48)
Net loss for the year	-	-	-	-	-	-	-	-	(3,461.11)	-	(3,461.11)
Implementation of resolution plan (Refer to note no 46 & 47)	-	-	(86.02)	470.46	-	-	7,287.03	86.02	-	-	7,757.49
Transfer on Amalgamation	-	-	-	-	-	-	-	-	(2.59)	-	(2.59)
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	-	-	1.01	(34.05)	(33.04)
Total comprehensive loss	**-**	**-**	**(86.02)**	**470.46**	**-**	**-**	**7,287.03**	**86.02**	**(3,462.69)**	**(34.05)**	**4,260.75**
As at 31 March 2019	**77.77**	**1,114.46**	**-**	**472.35**	**19.68**	**3.31**	**7,287.03**	**250.09**	**(8,140.16)**	**(102.26)**	**982.27**
Net loss for the year	-	-	-	-	-	-	-	-	(488.16)	-	(488.16)
Other comprehensive loss for the year, net of income tax	-	-	-	-	-	-	-	-	(3.41)	(0.24)	(3.65)
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(491.57)**	**(0.24)**	**(491.81)**
As at 31 March 2020	**77.77**	**1,114.46**	**-**	**472.35**	**19.68**	**3.31**	**7,287.03**	**250.09**	**(8,631.73)**	**(102.50)**	**490.46**

The accompanying notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date annexed

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rakesh Sharma
Partner

Place : Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana
Whole Time Director
DIN: 03298700

J. Nagarajan
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Ajay Kadhao
Company Secretary
M. No. ACS-13444

Standalone financial statements

for the year ended 31 March 2020
Accounting Policies

1 CORPORATE INFORMATION

Monnet Ispat & Energy Limited ("MIEL" or the "Company") is a limited company domiciled in India and was incorporated on 1st February 1990. Equity shares of the Company are listed in India on the Bombay Stock Exchange, the National Stock Exchange and the Kolkata Stock Exchange. The registered office of the Company is located at Monnet Marg, Mandir, Hasaud Raipur-492101 (Chhattisgarh), India.

MIEL is engaged in manufacturing and marketing of sponge iron, steel and ferro alloys, along with billets and pellets. MIEL is primary steel producer and has an integrated steel plant at Raigarh, which is currently operating at a capacity of ~1 MTPA, with the ability to scale up to 1.5 MTPA on completion of balance steel making facilities. MIEL also has another unit for steel production at Raipur with 0.25 MTPA capacity.

2. SIGNIFICANT ACCOUNTING POLICIES

I. Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013 , (Ind AS Compliant Schedule III),as applicable to standalone financial statement.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 18 May, 2020.

II. Basis of preparation

The Standalone Financial Statements have been prepared on a historical cost basis, except for the certain financial instruments measured at fair value at the end of each reporting year, as explained in the accounting policies below.

The financial statements are presented in INR and all values are rounded to the nearest crore, except when otherwise indicated.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in ₹ and all values are rounded to the nearest crores except when otherwise stated.

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability

that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

III. Revenue Recognition

a. Sale of Goods

The Company recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices. Revenue from sale of by products are included in revenue.

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

Contract balances

- **Contract assets:**
  A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration including Trade receivables

- **Contract liabilities**
  A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including Advance received from Customer

- **Refund liabilities**
  A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.

b. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

IV. Foreign Currency

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is ₹.

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Standalone financial statements

for the year ended 31 March 2020
Accounting Policies

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

V. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Standalone Statement of Profit and Loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

VI. Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

VII. Employee Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when the company recognizes corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

VIII. Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. While determining the tax provisions, the Company assesses whether each uncertain tax position is to considered separately or together with one or more uncertain tax positions depending the nature and circumstance of each uncertain tax position.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and on carried forward depreciation and business losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the financial statements of the Company.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

IX. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Standalone financial statements

for the year ended 31 March 2020
Accounting Policies

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalised

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Useful lives
Plant and Machinery at SMS division	20 years
Rolls and Reals in rolling mill and bar mill	5 years

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on estimate of their specific useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

IX. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

X. Mining Assets

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment indicators at least annually.

The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered

XI. Impairment of Property, plant and equipment and Intangible Assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

X. Leases

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The Company as a lessee

Policy applicable prior to April 01, 2019

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset, other than lease hold land, is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Policy applicable from April 01, 2019

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. April 1, 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116.

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

On the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments

Standalone financial statements

for the year ended 31 March 2020
Accounting Policies

as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

XII. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

XIII. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

XIV. Investment in subsidiaries, joint ventures and associates

Investment in subsidiaries, associates and joint ventures are shown at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

XV. Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss

A. Financial assets

a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both the of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Company's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

C) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

D) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all

Standalone financial statements

for the year ended 31 March 2020
Accounting Policies

contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

E) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in statement of profit or loss and is included in the 'Other income' line item.

B. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments

C) **Financial liabilities at amortised cost**
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Other financial liabilities:
The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognized as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by the company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the standalone statement of profit or loss.

D) **Derivative financial instruments**
The Company enters into financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Standalone Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Standalone Statement of Profit and Loss depends on the nature of the hedge item.

E) **Embedded derivatives**
An embedded derivative is a component of a hybrid (combined) instrument that also includes a nonderivative host contract – with the effect that some of the cash

Standalone financial statements

for the year ended 31 March 2020
Accounting Policies

flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted

XVI. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XVII. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3A. Estimation of uncertainties relating to the global health pandemic from COVID-19:

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic. The Company's operations were impacted due to shutdown of its plants following nationwide lockdown by the Government of India in view of COVID-19. With easing of some restrictions, the Company restarted the integrated steel making operations in May 2020.

Based on initial assessment, the Management does not expect any significant medium to long-term impact on the business of the Company due to the COVID-19 pandemic. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory and receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to the above, and the Company's liquidity position, there is no material uncertainty in meeting the financial obligations over the foreseeable future.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

3B. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

A) Key sources of estimation uncertainty

I) *Useful lives of property, plant and equipment*

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

II) *Impairment of property, plant and equipment:*

Determining whether the property, plant and equipment are impaired requires an estimate for the recoverable value of property, plant and equipment. The recoverable value computation by fair value method using cost approach involves Management relying on third party quotations of similar assets, expert's data bank for construction rates and the indices, as considered by its independent valuation expert in arriving at the fair value. Any subsequent changes in the above input factors could impact the carrying value of property, plant and equipment.

III) Impairment of investments in subsidiaries, joint-ventures and associates

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the management have anticipated the businesses/operations of the investee companies. Any subsequent changes to the cash flows due to changes in the operations mentioned above could impact the carrying value of investments.

IV) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognized nor disclosed in the financial statements unless when an inflow of economic benefits is probable

V) Fair value measurement

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

VI) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Recent Indian Accounting Standards (Ind AS): -

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land & site development	Leasehold land	Buildings	Plant and equipment	Office equipments	Furniture and fixtures	Vehicles	Aircraft	Total
Cost									
As at April 1, 2018	**46.09**	**36.85**	**796.97**	**7,029.02**	**12.38**	**13.89**	**12.16**	**29.70**	**7,977.06**
Additions	-	-	0.07	1.26	0.26	0.01	0.51	-	2.11
Disposals	-	-	-	(0.02)	-	-	(1.03)	-	(1.05)
As at March 31, 2019	**46.09**	**36.85**	**797.04**	**7,030.26**	**12.64**	**13.90**	**11.64**	**29.70**	**7,978.12**
Additions	-	-	2.32	56.37	1.35	0.19	3.34	-	63.57
Disposals	-	-	-	-	-	-	(2.72)	-	(2.72)
As at March 31, 2020	**46.09**	**36.85**	**799.36**	**7,086.63**	**13.99**	**14.09**	**12.26**	**29.70**	**8,038.97**
Depreciation									
As at April 1, 2018	**-**	**-**	**158.48**	**1,765.00**	**10.60**	**8.93**	**9.36**	**7.43**	**1,959.80**
Depreciation charge for the year	-	-	22.19	249.70	0.81	0.94	0.75	1.22	275.61
Disposals	-	-	-	(0.01)	-	-	(0.74)	-	(0.75)
Provision for Impairment (refer note II)	2.84	24.96	250.10	2,085.94	0.41	1.14	0.57	4.96	2,370.92
As at March 31, 2019	**2.84**	**24.96**	**430.77**	**4,100.63**	**11.82**	**11.01**	**9.94**	**13.61**	**4,605.58**
Depreciation charge for the year	-	-	17.45	195.93	0.24	0.84	0.59	1.10	216.15
Disposals	-	-	-	-	-	-	(2.44)	-	(2.44)
As at March 31, 2020	**2.84**	**24.96**	**448.22**	**4,296.56**	**12.06**	**11.85**	**8.09**	**14.71**	**4,819.29**
Net carrying value :									
As at March 31, 2020	**43.25**	**11.89**	**351.14**	**2,790.07**	**1.93**	**2.24**	**4.17**	**14.99**	**3,219.68**
As at March 31, 2019	43.25	11.89	366.27	2,929.63	0.82	2.89	1.70	16.09	3,372.55

Notes:

I. Property, plant and equipment pledged as security

Refer to note 19 for information on property, plant and equipment pledged as security by the Company.

II. In the previous year, the Company has recognized an impairment loss against property, plant and equipment ₹ 2,370.92 crores and capital work in progress ₹ 31.94 crores. Further, capital work in progress amounting to ₹ 26.89 crores has been written off due to discontinuation of the underlying projects (refer Note, 45).

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

5. INVESTMENTS IN SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

		31 March 2020	31 March 2019
A.	**Investments in equity shares (unquoted)**		
	Subsidiaries (at cost or deemed cost)		
	Monnet Global Limited	20.54	20.54
	1,83,786 (March 31, 2019 : 1,83,786) Equity shares of 100 AED each fully paid up		
	Monnet Cement Limited *	-	2.19
	2,190,000 (March 31, 2019 : 2,189,400) Equity shares of ₹10 each fully paid up		
	Chomal Exports Private Limited	-	0.19
	NIL (March 31, 2019 : 48,654) Equity shares of ₹10 each fully paid up		
	Monnet Sports Foundation	-	0.01
	NIL (March 31, 2019 : 5,000) Equity shares of ₹10 each fully paid up		
	Associate (at cost or deemed cost)		
	Monnet Power Company Limited #	-	-
	220,101,460 (March 31, 2019 : 220,101,460) Equity shares of ₹10 each fully paid up		
	Joint ventures (at cost or deemed cost)		
	Monnet Ecomaister Enviro Private Limited *	-	-
	14,211,363 (March 31, 2019 : 14,211,363) Equity shares of ₹10 each fully paid up		
	Mandakini Coal Company Limited	39.30	39.30
	39,299,800 (March 31, 2019 : 39,299,800) Equity shares of ₹10 each fully paid up		
	MP Monnet Mining Company Limited	0.98	0.98
	980,000 (March 31, 2019 : 980,000) Equity shares of ₹10 each fully paid up		
	Urtan North Mining Company Limited	5.75	5.75
	5,751,347 (March 31, 2019 : 5,751,347) Equity shares of ₹10 each fully paid up		
B.	**Investment in partnership firm**		
	Unquoted (at cost or deemed cost)		
	Khasjamda Mining Company (dissolved during the year)	-	0.33
	Total	**66.57**	**69.29**
	Less: Aggregate amount of provision for impairment in the value of investments	**(66.57)**	**(69.29)**
	Aggregate carrying unquoted value	**-**	**-**
	Investment in Partnership firm - Khasjamda Mining Company		
	Capital contribution		
	Monnet Ispat & Energy Limited	-	(0.34)
	Sanjay P Date	-	0.33
	% in Profits		
	Monnet Ispat & Energy Limited	0%	99%
	Sanjay P Date	0%	1%

* Basis Board resolution, investment in Monnet Cement Limited and Monnet Ecomaister Enviro Private Limited have been classified as held for sale, for detailed information refer note 44.

Monnet Power Company Limited, ceased to be an associate of the Company w.e.f. 23 October 2019 upon initiation of its liquidation as per Insolvency and Bankruptcy Code for liquidation of the Corporate Debtor.

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

6. INVESTMENTS

		31 March 2020	31 March 2019
I.	**Investments at fair value through OCI**		
	Investment in equity shares (unquoted)		
	Rameshwaram Steel & Power Private Limited 4,152,273 (March 31, 2019 : 4,152,273) Equity shares of ₹10 each fully paid up	-	-
	Falcon Internal Forces and Fire Services Private Limited 1,000 (March 31, 2019 : 1,000) Equity shares of ₹10 each fully paid up	-	-
	Monnet Engineering & Infrastructure P Limited 4,000 (March 31, 2019 : 4,000) Equity shares of ₹10 each fully paid up	-	-
	Business India Publications Limited 100,000 (March 31, 2019 : 100,000) Equity shares of ₹10 each fully paid up	-	-
	Investment in equity shares (quoted)		
	IFSL Limited 1,300,000 (March 31, 2019 : 1,300,000) Equity shares of Re.1 each fully paid up	0.05	-
	XL Energy Limited (formerly XL Telecom Ltd) 166,808 (March 31, 2019 : 166,808) Equity shares of ₹10 each fully paid up	*	0.01
	Kamanwala Housing Construction Limited 63,343 (March 31, 2019 : 63,343) Equity shares of ₹10 each fully paid up	0.03	0.07
	Indiabulls Real Estate Limited 25,000 (March 31, 2019 : 25,000) Equity shares of ₹10 each fully paid up	0.10	0.23
	RattanIndia Infrastructure Limited 73,750 (March 31, 2019 : 73,750) Equity shares of ₹10 each fully paid up	0.02	0.02
	Indiabulls Integrated Services Limited (formerly known as Soril Holdings and Ventures Limited) 3,125 (March 31, 2019 : 3,125) Equity shares of ₹10 each fully paid up	0.01	0.10
	Bellary Steel and Alloys Limited 803,243 (March 31, 2019 : 803,243) Equity shares of Re.1 each fully paid up	0.15	-
	Pioneer Investment Limited 23,392 (March 31, 2019 : 23,392) Equity shares of ₹10 each fully paid up	0.07	0.07
	Neueon Towers Limited (formerly known as Sujana Towers Limited) 12,500 (March 31, 2019 : 12,500) Equity shares of ₹10 each fully paid up	#	##
	Grasim Industries Limited 1,500 (March 31, 2019 : 1500) Equity shares of ₹10 each fully paid up	0.07	0.13
	Nu Tek India Limited NIL (March 31, 2019 : 480,000) Equity shares of ₹5 each fully paid up	-	0.01
	Aditya Birla Capital Limited 2,100 (March 31, 2019 : 2,100) Equity shares of ₹10 each fully paid up	0.01	0.02
	Aditya Birla Fashion & Retail Limited 5,200 (March 31, 2019 : 5200) Equity shares of ₹10 each fully paid up	0.08	0.11
	Orrisa Sponge Iron & Steel Limited** 1,994,633 (March 31, 2019 : 1,994,633) Equity shares of ₹10 each fully paid up	-	-
	Monnet Power Company Limited 220,101,460 (March 31, 2019 : 220,101,460) Equity shares of ₹10 each fully paid up	-	-
		0.59	**0.77**
II.	**Investments at fair value through profit or loss**		
	SBI MF Magnum Tax Gain 55,123 (March 31, 2019 : 55,123) units	0.16	0.22
	Nippon India Mutual fund ETF liquid BeES 25 (March 31, 2019 : 25) units	-	-
	Total	**0.75**	**0.99**
	Aggregate book value of quoted investments	0.75	0.99
	Aggregate market value of quoted investments	0.75	0.99

* ₹41,702 # ₹ 3,750 ## ₹ 10,875

** Basis Board resolution, investment in Orrisa Sponge Iron & Steel Limited has been classified as held for sale for detailed information refer note 44.

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

7. OTHER FINANCIAL ASSETS (NON CURRENT)

	31 March 2020	31 March 2019
Bank deposits (having maturity of more than 12 months)*	4.69	0.68
Security deposit (Unsecured unless otherwise stated, considered good)	6.94	5.19
Other receivables	12.73	12.73
Less: Provision for Impairment	(0.02)	(0.02)
	24.34	**18.58**
* Lien marked bank deposits	4.69	0.27

8. CURRENT TAX ASSETS (NET)

	31 March 2020	31 March 2019
Income tax paid (net of provision for tax)	60.65	59.53
Less: provision for impairment	57.40	57.40
	3.25	**2.13**

9. OTHER NON-CURRENT ASSETS

	31 March 2020	31 March 2019
Capital advances		
Unsecured unless otherwise stated, considered good	18.51	5.98
Other loans and advances (Unsecured unless otherwise stated, considered good)		
Security deposits	3.39	-
Prepaid expenses	-	0.34
Advance to gratuity fund (refer note 36)	-	0.04
	3.39	0.38
Less: Provision for impairment	(0.55)	-
Total	**21.35**	**6.36**

10. INVENTORIES

(Valued at the lower of cost and Net realizable value)

	31 March 2020	31 March 2019
Raw materials {Includes goods in transit ₹ 15.01 crores (31 March 2019: ₹ 39.37 crores)}	337.72	306.53
Work-in-progress	4.95	5.73
Finished goods	369.97	350.40
Stores and spares {Includes goods in transit ₹ 0.69 crores (31 March 2019: ₹ NIL)}	146.17	75.45
	858.81	**738.11**
Provision for impairment of inventory	(1.32)	(79.30)
Total	**857.49**	**658.81**

Note:

I. Inventory of finished goods includes inventory aggregating to ₹ 314.51 crores (PY: ₹253.94 crores) valued at net realisable value. Write-down of inventories arising out of the above amounting to ₹36.68 crores (PY: ₹50.04 crores) has been recognised as an expense during the year.

II. Inventories of Raigarh Plant have been pledged as security against bank borrowings, details relating to which has been described in note 19.

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

11. TRADE RECEIVABLES

	31 March 2020	31 March 2019
Trade receivables unsecured unless otherwise stated, considered good	51.77	32.98
Trade receivables which have significant increase in credit risk	0.63	0.63
Less: allowance for doubtful debts	(0.63)	(0.63)
Trade receivables – credit impaired	1.60	1.45
Less: Allowance for doubtful debts	(1.60)	(1.45)
Total	**51.77**	**32.98**
Dues from directors or companies where directors are interested	**-**	**0.03**

The Credit period on sale of goods ranges from 30 to 90 days.

Ageing of receivables that are past due

Particulars	31 March 2020	31 March 2019
90-180 days	4.79	1.99
> 180 days	1.19	1.55
Total	**5.98**	**3.54**

Trade receivables of Raigarh Plant have been given as collateral towards borrowings details relating to which has been described in note 19.
Credit risk management regarding trade receivables has been described in note 42 (5).
Trade receivables from related parties details has been described in note 39.

12. CASH AND BANK BALANCES

	31 March 2020	31 March 2019
12 a. Cash and cash equivalents :		
Balances with banks		
in current accounts	34.10	23.06
in deposit accounts with maturity less than 3 months at inception	1.04	142.20
Cash on hand	0.06	0.05
Total	**35.20**	**165.31**
12 b. Bank balances other than above		
Earmarked bank balances*	0.11	0.17
Other bank deposits with maturity more than 3 months but less than 12 months at inception	73.46	-
Other bank deposits with maturity more than 3 months but less than 12 months at inception (lien marked)#	56.66	47.95
Total	**130.23**	**48.12**

Notes:

* Earmarked bank balances pertaining to unclaimed dividend.

Other bank deposits are provided as collateral against credit facilities.

13. DERIVATIVE ASSETS

	31 March 2020	31 March 2019
Forward contracts (refer note 42)	7.75	-
Total	**7.75**	**-**

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

14. LOANS (UNSECURED)

	31 March 2020	31 March 2019
Loans		
- to related parties* (refer note 39)	70.45	70.31
- to others	418.13	428.86
Less: allowance for doubtful loans	488.24	489.44
Total	**0.34**	**9.73**
* Loans are given for business purpose		
Note :		
Loans receivable unsecured unless otherwise stated, considered good	0.34	9.73
Loans receivables – credit impaired		
Loans and advances to related parties	70.45	70.31
Loans and advances to others	417.79	419.13

15. OTHER FINANCIAL ASSETS (CURRENT)

	31 March 2020	31 March 2019
Interest accrued on deposits and loans	1.45	0.37
Advance for properties*	-	9.06
	1.45	**9.43**

* Upon approval of plan to sale these properties in their present condition by the Board of directors, the management has regarded the sale to be highly probable and has initiated the process to locate a buyer. Accordingly, these properties have been classified as held for sale at estimated fair value less cost to sale of ₹ 5.96 crores based on the recent comparable transaction and the resultant impairment loss of ₹1.8 crore has been recognised.

16. OTHER CURRENT ASSETS

	31 March 2020	31 March 2019
Advances to suppliers	103.02	134.59
Balances with indirect tax authorities	21.79	17.47
MAT credit entitlement	18.25	18.25
Prepaid expenses	10.68	10.21
Advance to employees	0.42	0.43
	154.16	180.95
Less: provision for impairment	(19.13)	(19.29)
Total	**135.03**	**161.66**

17. SHARE CAPITAL

	31 March 2020	31 March 2019
a) Equity share capital		
Authorised:		
1,000,000,000 (31 March 2019: 1,000,000,000) Shares of ₹10/- each	1,000.00	1,000.00
Issued subscribed and paid up:		
469,547,534 shares at par value of ₹10/- each (31 March 2019: 469,547,534 shares at par value of ₹ 10/- each)	469.55	469.55
	469.55	469.55
b) Preference Share capital		
Authorised:		
550,000,000 (31 March 2019: 550,000,000 shares at par value of ₹ 10/- each) shares at par value of ₹ 10/- each	550.00	550.00
Issued subscribed and paid up:		
0.01% Compulsory Convertible Preference Shares (CCPS) 525,980,000 (31 March 2019: 525,980,000) shares at par value of 10/- each	525.98	525.98
	525.98	525.98
Total	**995.53**	**995.53**

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

A. Reconciliation of the shares outstanding at the beginning and at the end of the year (refer note 46 and 47 for details)

Equity Shares	31 March 2020		31 March 2019	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
At the beginning of the year	46.95	469.55	20.07	200.79
Movement during the year :				
Adjustment of shares forfeited	-	-	-	(0.02)
Conversion of loan into equity	-	-	21.52	215.22
Extinguishment of shares of erstwhile promoters	-	-	(5.07)	(50.73)
Capital reduction	-	-	(24.47)	(244.71)
Issued on merger	-	-	34.90	349.00
Outstanding at the end of the year	**46.95**	**469.55**	**46.95**	**469.55**

Compulsory Convertible Preference Shares	31 March 2020		31 March 2019	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
At the beginning of the year	52.60	525.98	-	-
Issued on merger	-	-	52.60	525.98
Outstanding at the end of the year	**52.60**	**525.98**	**52.60**	**525.98**

B. Terms/Rights attached to equity shares

The Company has only one class of equity share having face value of ₹ 10/- per share. The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing general meeting. The holder of share is entitled to voting rights proportionate to their share holding at the meetings of shareholders.

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

C. Terms/Rights attached to preference shares

The holders of CCPS shall be entitled to payment of 0.01% per annum as dividend on each CCPS, as and when the Company declares any dividend. Each CCPS shall be convertible into 1 (one) equity share at any date prior to the expiry of the term of 20 (Twenty) years from the date of issuance of the CCPS ("CCPS Term") at the option of the holder of the CCPS. Unless already converted each CCPS outstanding at the expiry of the CCPS Term shall be compulsorily converted into 1 (one) equity share of the Company. The CCPS will have priority with respect of dividend or repayment of capital vis-a- vis equity shares. The CCPS holders shall not be entitled to participate in the surplus fund of the Company or participate in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid. The payment of dividend shall be on a non cumulative basis.

D. Following shareholders hold equity shares more than 5% of the total equity shares of the Company at the end of the year

Name of Shareholder	31 March 2020		31 March 2019	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
Creixent Special Steels Limited (Holding Company)	22.59	48.12%	22.59	48.12%
AION Investments Private II Limited	9.95	21.18%	9.95	21.18%
State Bank of India	2.55	5.43%	2.55	5.43%
JTPM Atsali Limited	2.35	5.01%	2.35	5.01%

E. Following shareholders hold preference shares more than 5% of the total convertible preference shares of the Company at the end of the year

Name of Shareholder	31 March 2020		31 March 2019	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
Creixent Special Steel Limited	34.05	64.73%	34.05	64.73%
JTPM Atsali Limited	18.55	35.27%	18.55	35.27%

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

F. Equity shares allotted as fully paid up (during 5 years preceding March 31, 2020) without payment being received in cash

34,90,00,000 equity shares and 52,59,80,000 compulsorily convertible preference shares issued on August 16, 2018, to the shareholders of Milloret Steel Limited in terms of the scheme of amalgamation ('the Scheme') sanctioned by Mumbai bench of National Company Law Tribunal vide its order dated July 24, 2018.

18. OTHER EQUITY

		31 March 2020	31 March 2019
a)	**Capital reserve**		
	Opening balance	77.77	77.77
	Changes during the year	-	-
	Closing balance	77.77	77.77
b)	**Securities premium**		
	Opening balance	1,114.46	1,114.46
	Changes during the year	-	-
	Closing balance	1,114.46	1,114.46
c)	**Debenture redemption reserve**		
	Opening balance	-	86.02
	Changes during the year	-	(86.02)
	Closing balance	-	-
d)	**Capital redemption reserve**		
	Opening balance	472.35	1.89
	Changes during the year	-	470.46
	Closing balance	472.35	472.35
e)	**Capital reconstruction reserve**		
	Opening balance	19.68	19.68
	Changes during the year	-	-
	Closing balance	19.68	19.68
f)	**Amalgamation reserve**		
	Opening balance	3.31	3.31
	Changes during the year	-	-
	Closing balance	3.31	3.31
g)	**General reserve**		
	Opening balance	250.09	164.07
	Changes during the year	-	86.02
	Closing balance	250.09	250.09
h)	**Equity instruments through OCI**		
	Opening balance	(102.26)	(68.21)
	Changes during the year	(0.24)	(34.05)
	Closing balance	(102.50)	(102.26)
i)	**Equity contribution resulted on merger**		
	Opening balance	7,287.03	-
	Changes during the year	-	7,287.03
	Closing balance	**7,287.03**	**7,287.03**
j)	**Retained earnings**		
	Opening balance	(8,140.16)	(4,677.47)
	Loss for the year	(488.16)	(3,461.11)
	Re-measurement gains/ (losses) on defined benefit plans	(3.41)	1.01
	Less: Transferred on Amalgamation	-	(2.59)
	Closing balance	(8,631.73)	(8,140.16)
Total other equity			
Closing balance		490.46	982.27
Opening balance		982.27	(3,278.48)

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

a) Capital reserve

The reserve is created pursuant to the acquisition of business being the difference of liabilities and assets acquired.

b) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

c) Debenture redemption reserve

The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the company creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the company. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures. On redemption the amount will be reclassified to retained earnings.

d) Capital redemption reserve

Reserve is created for redemption of preference shares as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

e) Capital Reconstruction Reserve

Reserve is acquired at the time of amalgamation. It is created while following Pooling of Interest method of accounting.

f) Amalgamation Reserve

Reserve is created on account of gain at the time amalgamation. It is the residual value after transfer of all assets, liabilities & reserves at their book value by using the Pooling of Interest method of accounting.

g) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company may transfer any amount from the surplus of profit or loss to the General reserves, if it wants to voluntarily. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

h) Equity instruments through OCI

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument

i) Equity contribution resulted on merger

The equity contribution resulted on merger is a surplus after extinguishment of optionally convertible preference shares (OCPS) issued to Milloret Steel Limited

j) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

19. BORROWINGS
(measured at amortized cost)

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
a. Term Loan				
i. Secured				
Loans from bank	2,126.53	1,919.10	-	-
ii. Unsecured				
From a related party	125.00	125.00	-	-
b. Short term loan				
i. Unsecured				
From a related party			89.50	-
c. Working capital facility				
i. Secured				
From bank	-	-	278.13	154.21
	2,251.53	**2,044.10**	**367.63**	**154.21**

Note : Refer note 46 and 47 regarding extinguishment of liabilities post implementation of resolution plan

(Amount in ₹ crores, unless otherwise stated)

Terms of Borrowings

Type of loan	Loan outstanding As on 31 March 2020	As on 31 March 2019	Rate of interest	Security Guarantee	Repayment terms
Rupee loan from Bank	2,126.53	1,919.10	3 month MCLR + 10 bps	Secured by first charge on all immovable and movable fixed assets (present & future) of the Raigarh plant and second charge on all current assets of the Raigarh plant.	Repayable in 36 structured quarterly instalments, starting from the end of 39th month from the date of first disbursement, i.e. 31 August 2018.
Long term loan from a Company (Unsecured)	125.00	125.00	SBI 1 year MCLR + 200 bps	N.A.	Repayable in 9 equal annual instalments of ₹ 13.89 crores, starting from 31 August 2024 and ending at 31 August 2032.
Short term loan from a Company (Unsecured)	89.50	-	SBI 1 year MCLR + 200 bps	N.A.	At the end of 12 months from the date of first disbursement.
Working capital facility	278.13	154.21	1 Year MCLR	Secured by first charge on entire current assets (both present and future) and second charge on all immovable and movable fixed assets of the Raigarh plant.	On demand

20. LEASE LIABILITIES

	31 March 2020	31 March 2019
Lease liabilities (refer note 37)	29.83	-
	29.83	**-**

21. PROVISIONS

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits				
Provision for gratuity (refer note 36)	-	-	0.06	-
Provision for compensated absences (refer note 36)	4.64	3.23	0.78	0.31
	4.64	**3.23**	**0.84**	**0.31**

22. INCOME TAX

A. Income tax expense

	31 March 2020	31 March 2019
Current tax		
Current tax	-	-
Deferred tax		
Deferred tax	-	-
MAT credit entitlement	-	-
Total tax expense	**-**	**-**

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

	31 March 2020	31 March 2019
Loss before tax	(488.16)	(3,461.11)
Enacted tax rate in India	34.944	34.944
Accounting loss before income tax	**(488.16)**	**(3,461.11)**
Expected income tax expense/(benefits) at statutory tax rate 34.94% (31 March 2019: 34.94%)	(170.58)	(1,209.45)
Expenses not deductible in determining taxable profits	0.02	424.05
Deferred tax asset not recognised	170.56	785.40
At the effective income tax rate of 0.0% (31 March 2019: 0.0%)	-	-
Income tax expense reported in the statement of profit and loss	-	**-**
	-	**-**

The Company had recognised MAT credit amounting to ₹18.25 crores, however due to uncertainty regarding utilisation within the stipulated period of 15 years, the same had been fully provided in previous year (refer note 16).

B. Deferred tax liabilities (net)

Deferred tax balance in relation to	As at 31-Mar-19	For the year ended 31 March 2020			As at 31-Mar-20
		Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(300.15)	(46.30)	-	-	(346.45)
Carried forward business loss / unabsorbed depreciation	266.15	34.33	-	-	300.48
Derivatives	-	(2.64)	-	-	(2.64)
Provisions for Impairment of Inventory/ Trade receivables	29.00	(0.20)	-	-	28.80
Provisions for employee benefit / loans and advances and guarantees	12.00	6.77	-	-	18.77
Borrowings	(7.00)	7.00	-	-	-
Finance lease obligations	-	0.09	-		0.09
Others- IND AS adjustment	-	0.95	-		0.95
Total	**-**	**-**		**-**	**-**

Deferred tax balance in relation to	As at 01-Apr-18	For the year ended 31 March 2019			As at 31-Mar-19
		Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(1,073.43)	773.28	-	-	(300.15)
Carried forward business loss / unabsorbed depreciation	1,108.14	(841.99)	-	-	266.15
Provisions for Impairment of Inventory/ Trade receivables	-	29.00	-	-	29.00
Provisions for employee benefit / loans and advances and guarantees	-	12.00	-	-	12.00
Borrowings	-	(7.00)	-	-	(7.00)
Others- IND AS adjustment	(34.71)	34.71	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

(Amount in ₹ crores, unless otherwise stated)

Expiry schedule of losses on which deferred tax assets is not recognised is as under:

Expiry of losses (as per local tax laws)	AY 2022-23	AY 2023-24	AY 2024-25	AY 2025-26	Beyond 5 Years	Indefinite	Total
Business Losses	-	482.70	1,108.21	227.90	590.23	-	**2,409.04**
Unabsorbed depreciation	-	-	-	-	-	4,480.97	**4,480.97**
Long term capital losses	3.20	-	19.10	-	297.29	-	**319.59**
Total	**3.20**	**482.70**	**1,127.31**	**227.90**	**887.52**	**4,480.97**	**7,209.60**

Based on legal advice from an independent expert, the management is of the view that vide NCLT order dated July 24, 2018 in response to resolution plan submitted by consortium of JSW Steel Limited and AION Investment Private II Limited for acquisition of Monnet Ispat and Energy Limited ("MIEL") under the Insolvency Bankruptcy Code, 2016 ("NCLT Order"), the Company will be entitled to carry forward the aforementioned accumulated losses of MIEL pertaining to the period prior to acquisition and off-set the same against the future taxable income of MIEL.

23. TRADE PAYABLES

	31 March 2020	31 March 2019
Acceptances	258.20	134.16
Other than acceptances		
- total outstanding dues of micro and small enterprises; (refer note 41)	1.35	3.36
- total outstanding dues of creditors other than micro and small enterprises	229.37	237.11
- payable as Per NCLT Order (refer note 46)	-	25.00
Total	**488.92**	**399.63**

Note:

Acceptances include credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year.

Disclosure with respect to related party transactions is given in note 39.

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled within 90 days except for SME's which are settled within 45 days.

For explanations on the Company's credit risk management processes, refer to Note 42.

24. DERIVATIVE LIABILITIES

	31 March 2020	31 March 2019
Forward contracts (refer note 42)	0.20	-
Total	**0.20**	**-**

25. OTHER FINANCIAL LIABILITIES (CURRENT)

(at amortised cost)

	31 March 2020	31 March 2019
Acceptances for capital goods	27.11	-
Interest accrued but not due on borrowings	24.20	7.97
Payable for capital expenditures	19.05	19.14
Security deposits and retention money	11.06	1.51
Unclaimed dividends	0.11	0.17
Others	17.98	5.04
	99.51	**33.83**

The Company has opted to avail moratorium on payment of interest falling due between 01 April 2020 to 31 May 2020 and 01 March 2020 to 31 May 2020 on term loan and cash credit respectively, from a bank on account of COVID-19 under the RBI guidelines and accordingly, interest accrued as on 31st March 2020 is payable after completion of moratorium period.

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

26. OTHER CURRENT LIABILITIES

	31 March 2020	31 March 2019
Advance from customers	16.97	20.13
Statutory dues	11.91	10.35
Export obligation deferred income	3.83	-
	32.71	**30.48**

27. REVENUE FROM OPERATIONS

		for the year ended 31 March 2020	for the year ended 31 March 2019
Sale of products		2,610.39	1,877.00
Sale of services		0.25	-
Less: rebate & discounts		(2.88)	(4.65)
	A	2,607.76	1,872.35
Other operating income			
Sale of scrap		23.49	6.22
Export incentives		6.91	0.84
	B	30.40	7.06
	A+B	**2,638.16**	**1,879.41**

The Company has assessed and determined the following categories for disaggregation of revenue:

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Revenue from contracts with customer - Sale of products	2,607.76	1,872.35
Other operating revenue	30.40	7.06
Total revenue from contracts with customers	**2,638.16**	**1,879.41**
India	2,391.69	1,803.12
Outside India	246.47	76.29
Total revenue from contracts with customers	**2,638.16**	**1,879.41**
Timing of revenue recognition		
At a point in time	2,638.16	1,879.41
Over a period of time	-	-
Total revenue from contracts with customers	**2,638.16**	**1,879.41**

Product Wise	for the year ended 31 March 2020	for the year ended 31 March 2019
Sponge Iron	1,176.82	1,160.40
Pellets	503.37	49.71
Structure/ TMT	451.59	365.11
Billets	228.58	85.96
Ferro Alloys	144.89	172.34
Pig Iron	93.87	21.39
Others	39.04	24.50
Total	**2,638.16**	**1,879.41**

(Amount in ₹ crores, unless otherwise stated)

Contract Balances

Product Wise	For the year ended	
	for the year ended 31 March 2020	for the year ended 31 March 2019
Trade receivables	51.77	32.98
Contract liabilities (advance from customers)	16.97	20.13

The Company does not have any significant adjustments between the contracted price and revenue recognised in the profit & loss account.

The performance obligation is satisfied based on the terms of sale, normally, upon delivery of the goods and payment is generally due within 30 to 90 days from delivery.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year ₹ 20.13 crores (previous year ₹ 11.10 crores).

28. OTHER INCOME

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Interest income earned on financial assets that are not designated as FVTPL		
Bank deposits	9.35	10.05
Others interest income	2.20	4.04
Rental income	1.51	1.40
Insurance claim received	-	6.80
Fair value gain arising from financial instruments designated as FVTPL	7.55	-
Exchange fluctuation (net)	-	3.63
Liabilities written back	4.68	0.80
Other miscellaneous income	0.68	0.11
Total	**25.97**	**26.83**

29. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Opening Stock		
Finished goods	334.71	103.06
Work-in-process	5.73	2.75
Total inventories at the beginning of the year	**340.44**	**105.81**
Closing Stock		
Finished goods	369.97	350.40
Work-in-process	4.95	5.73
Total inventories at the end of the year	**374.92**	**356.13**
Stock Impairment	-	15.69
Total	**(34.48)**	**(266.01)**

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

30. EMPLOYEE BENEFITS EXPENSE

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Salaries, wages and amenities	106.70	80.27
Contribution to provident fund and other funds (refer note 36)	7.72	6.53
Staff welfare expenses	2.04	2.54
Total	**116.46**	**89.34**

31. FINANCE COSTS

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Interest expenses on borrowings	244.45	443.31
Other ancillary borrowing costs	5.64	0.48
Unwinding of Interest on financials liabilities (carried at amortised cost)	2.73	1.48
Interest expenses on lease liabilities	0.45	-
Other charges	0.05	-
Total	**253.32**	**445.27**

32. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Depreciation on property, plant and equipments (refer note 4)	216.15	275.60
Depreciation on right of use assets	0.84	-
	216.99	**275.60**

33. OTHER EXPENSES

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Stores and spares consumed	124.09	34.64
Distribution expenses	79.50	15.07
Wages & labour charges	44.39	29.71
Repairs & maintenance		
- Machinery	18.46	16.53
- Building	2.38	2.39
- Others	2.02	0.85
Legal & professional charges	12.18	17.34
Water charges	9.01	6.77
Insurance charges	8.68	4.93
Security service charges	8.06	7.96
Vehicle expenses	4.91	10.20
Travelling & conveyance	2.41	1.83
Auditors' remuneration		
- As audit fees	0.35	0.35
- For limited review	0.24	0.03
- For tax matters	0.05	-
- For certification & other matters	0.01	-

(Amount in ₹ crores, unless otherwise stated)

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Exchange fluctuation (net)	4.24	-
Lease rent & hire charges	0.18	0.36
Allowance for doubtful advances	1.80	-
Bank charges	-	2.42
Miscellaneous expenses	11.92	11.99
	334.88	**163.37**

34. EXCEPTIONAL ITEMS (NET)

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Provision for impairment of property, plant and equipment and capital work in progress	-	2,402.86
Capital work in Pprogress written off	-	26.89
Non current investments written off	-	700.79
Provision for impairment of non current investments	-	69.29
Reversal of provision for impairment of non current investments	-	(196.57)
Amount written off on reclassification of non current investments as held for sale	-	14.21
Provision for impairment of loans and advances	-	564.11
Non recoverable advances written off	-	238.12
Provision for impairment of inventory *	-	79.30
Trade receivables written off	-	50.72
Provision for doubtful trade receivables reversed	-	(35.02)
Plant startup expenses	-	27.00
Liability for current and non current borrowings written back	-	(1,008.32)
Trade payables and other current liabilities written back	-	(165.46)
	-	**2,767.92**

* In current year the Company has written off provision for impairment of inventory of ₹ 77.98 provided in previous year.

Exceptional items for the year ended 31 March 2019 comprise of:

(a) Impairment of property plant and equipment/CWIP write off amounting to ₹ 2,429.75 crores, which had been recognized based on the recoverable value of these assets (Refer note 45 for details).

(b) Impairment / write off of investments, inventories, receivables, current and non-current assets aggregating to ₹ 1,484.95 crores considered not realizable (Refer note 45 for details).

(c) Current and non-current liabilities written back , aggregating to ₹ (1,173.78) crores (Refer note 46 for details).

(d) Plant startup expenses of ₹ 27 crores which comprise of various revenue expenses incurred to restart and make operational, facilities at Raigarh plant of the Company .

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

35. EARNINGS PER SHARE (EPS)

Particulars	31 March 2020	31 March 2019
Loss for the year as per Statement of Profit & Loss attributable to equity shareholders (₹ in crores) [A]	(488.16)	(3,461.11)
Weighted average number of equity shares for calculating basic EPS (no. in crores) [B]	46.95	36.65
Effect of dilution:	52.60	52.60
Weighted average number of equity shares adjusted for the effect of dilution (no. in crores) [C] {refer note below}	**46.95**	**36.65**
Earnings per equity share in ₹		
Basic [A/B]	(10.40)	(94.44)
Diluted [A/C]	(10.40)	(94.44)
Face Value of each equity share in ₹	**10**	**10**

Note:

In calculation of diluted earnings per share the Company has not assume conversion, exercise, or other issue as they would have an antidilutive effect on earnings per share.

36. EMPLOYEE BENEFIT PLANS

Defined Contribution Plans - General Description

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund and other fund. The Company's contribution to the provident fund and other fund is ₹ 7.72 crores (31 March 2019 ₹ 6.53 crores) (refer note 30).

Defined Benefit Plans - General Description

Gratuity:

The Company has a defined benefit gratuity 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 employee completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions are made to an insurer to provide gratuity benefits by taking a scheme of Insurance for the same. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

Compensated Absences:

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation, at the rate of daily salary, as per the current accumulation of leave days.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, Asset liability matching risk, mortality risk, concentration risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2020 by M/s. K A Pandit Consultants & Actuaries. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method.

(Amount in ₹ crores, unless otherwise stated)

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

	31 March 2020	31 March 2019
Defined Benefit Obligation (DBO) at the beginning of the period	13.13	13.75
Current service cost	1.11	1.23
Interest cost	1.02	1.07
Benefits paid	(1.23)	(1.88)
Actuarial (gain)/ loss on obligations - OCI	3.24	(1.04)
Defined Benefit Obligation at the end of the period	**17.27**	**13.13**

Changes in the fair value of plan assets are, as follows:

	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	13.17	13.26
Contribution by employer	3.81	0.48
Benefits paid	(0.62)	(1.57)
Expected Interest Income on plan assets	1.02	1.04
Actuarial gain/(loss) on plan asset	(0.17)	(0.04)
Fair value of plan assets at the end of the period	**17.21**	**13.17**

Reconciliation of fair value of plan assets and defined benefit obligation:

	31 March 2020	31 March 2019
Fair value of plan assets	17.21	13.17
Defined benefit obligation	17.27	13.13
Amount recognised in the balance sheet (refer note 21)	**0.06**	**(0.04)**

Amount recognised in Statement of Profit and Loss:

	31 March 2020	31 March 2019
Current service cost	1.11	1.23
Interest expense	1.02	1.07
Expected return on plan asset	(1.02)	(1.04)
Amount recognised in Statement of Profit and Loss (refer note 30)	**1.11**	**1.26**

Amount recognised in other comprehensive income:

	31 March 2020	31 March 2019
Actuarial changes arising from changes in demographic assumptions	(1.41)	-
Actuarial changes arising from changes in financial assumptions	(1.83)	1.05
Return on plan assets (excluding amounts included in net interest expense)	(0.17)	(0.04)
Amount recognised in other comprehensive (loss)/ income	**(3.41)**	**1.01**

The major categories of plan assets of the fair value of the total plan assets are as follows:

Gratuity	31 March 2020	31 March 2019
Investment Details	**Funded**	**Funded**
Investment with insurance fund	100%	100%

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31 March 2020	31 March 2019
Expected rate of return on plan assets	6.89%	7.79%
Discount rate	6.89%	7.79%
Future salary increases	7.00%	7.00%
Attrition Rate	2.00%	2.00%
Retirement age	60 years	60 years
Mortality rate during employment	Indian assured lives mortality (2006-08) ult	

Sensitivity analysis:-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:-

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Assumptions				
Discount rate	+ 1%	+ 0.25%	(1.59)	(0.32)
	- 1%	- 0.25%	1.85	0.33
Future salary increases	+ 1%	+ 0.25%	1.83	0.34
	- 1%	- 0.25%	(1.60)	(0.32)
Withdrawal rate	+ 1%	+ 0.25%	(0.04)	0.02
	- 1%	- 0.25%	0.04	(0.02)

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that change in assumption would occur in isolation of the another as some of the assumptions may be correlated.

The following are the maturity analysis of projected benefit obligations:

	31 March 2020	31 March 2019
Within the next 12 months (next annual reporting year)	1.10	0.80
Between 2 and 5 years	3.29	2.65
Beyond 5 years	35.07	30.65
Total expected payments	**39.46**	**34.10**

Each year an asset liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

The Company is expected to contribute ₹0.29 crores to its gratuity plan for the next year. The weighted average duration of the plan is 12 years.

Compensated absences

The Company has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the Company due to death, retirement or resignation. The expected cost of compensated absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date.

Compensated absences	31 March 2020	31 March 2019
Present value of unfunded obligation (₹ in crores)	5.42	3.54
Expenses recognised in Statement of profit and loss (₹ in crores)	1.46	0.99
Discount rate (p.a.)	6.89%	7.79%
Salary escalation rate (p.a.)	7.00%	7.00%

(Amount in ₹ crores, unless otherwise stated)

37. LEASE

Operating Lease commitments - Company as lessee

Lease payments of ₹ 0.78 crores have been recognized as an expense in the statement of profit and loss during previous year.

The future minimum lease payments under non-cancellable operating leases are as follows:

	31 March 2019
Not later than one year	1.05
Later than one year and not later than five years	4.23
Later than five years	37.40
Total	**42.68**

Transition Impact to Ind AS 116

Lease - Company as a lessee

Effective April 1, 2019, the Company has adopted Ind AS 116 ""Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. April 1, 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 30.42 crore and a lease liability of ₹ 30.42 crore. The effect of this adoption is insignificant on the profit before tax, profit for the year and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The leases that the Company has entered with lessors are generally long term in nature and no changes in terms of those leases are expected due to the COVID-19.

		31 March 2020
a.	Right of Use Asset recognised in the Balance Sheet	29.58
b.	Lease liability recognised in the Balance Sheet	29.83
c.	Depreciation charged to Statement of Profit and loss	
	- Land	0.34
	- Building	0.50
d.	Interest charged to Statement of Profit and loss	0.45
e.	Lease payments recognised as expense for the underlying asset is of low value	-
f.	Lease payments recognised as expense for short term leases	0.18
g.	Total cash flow for leases	1.04
h.	Carrying value of the right of use assets	
	- Land	27.75
	- Building	1.83
i.	Amounts of lease commitments for leases covered other than in point e & f above	
	- Not later than one year	0.98
	- Later than one year and not later than five years	3.02
	- Later than five years	25.83
j.	Amounts of lease commitments for leases covered in point e & f above	
	- Not later than one year	0.13
	- Later than one year and not later than five years	-
	- Later than five years	-

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the Balance sheet on 1 April, 2019 is ranging between 9.5% to 10%

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 and the value of the lease liabilities as of April 1, 2019 is primarily on account of practical expedients exercised for short term leases, as at adoption of the standard, in measuring lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

Reconciliation of Operating Lease commitments to Lease liabilities as on April 1, 2019 :

Particulars	Amount
Operating lease commitments disclosed as at March 31, 2019	42.68
(Less): Impact of discounting on opening lease liability	(12.26)
(Less): Short-term leases not recognized as a liability	-
Lease liability recognized as at April 1, 2019	**30.42**

38. COMMITMENTS AND CONTINGENCIES

(a) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) of ₹ 26.55 crores (March 31, 2019 - ₹ 144.42 crores)

(ii) Rupee equivalent of export obligation to be completed by February 9, 2026 under EPCG Scheme ₹ 19.99 crores (March 31, 2019 - ₹ NIL)

(b) Contingent liabilities

	31 March 2020	31 March 2019
Performance bank guarantees	107.13	69.95
Claim against the Company not acknowledged as debt	52.00	-

Notes to financial statements

for the year ended 31 March 2020

39. RELATED PARTY DISCLOSURES

(Amount in ₹ crores, unless otherwise stated)

A. List of related parties

(a) Holding Company	Creixent Special Steel Limited (w.e.f. 31.08.2018)
(b) Joint Venturer of holding company	JSW Steel Limited (w.e.f. 31.08.2018)
	AION Investments Private II Limited (w.e.f. 31.08.2018)
(c) Subsidiaries	
	1 Monnet Global Limited
	2 Monnet Cement Limited
	3 Chomal Exports Private Limited (upto 15.01.2020)
	4 Monnet Sports Foundation (upto 15.01.2020)
	5 Khasjamda Mining Company (upto 05.10.2019)
	6 Pt. Sarwa Sembada Karya Bumi (step - subsidiary)
	7 LLC Black Sea Natural Resources, Abkhazia (step - subsidiary)
(d) Joint Ventures	1 MP Monnet Mining Company Limited
	2 Mandakini Coal Company Limited
	3 Urtan North Mining Company Limited
	4 Monnet Ecomaister Enviro Private Limited
(e) Subsidiary of Joint Venture of Company	Solace Land holding Limited
(f) Associates	Monnet Power Company Ltd (upto 23.10.2019)
(g) Key Management Personnel:-	1 Mr. D Ravichandar (w.e.f. 31.08.2018)
	2 Ms. Anuradha Ambar Bajpai (w.e.f. 30.07.2018)
	3 Ms. Sutapa Banerjee (w.e.f. 27.09.2018)
	4 Mr. Jyotin Kantilal Mehta (w.e.f. 30.07.2018)
	5 Mr. Kalpesh Kikani (w.e.f. 31.08.2018)
	6 Mr. Nikhil Gahrotra (w.e.f. 31.08.2018)
	7 Mr. Sanjay Kumar (w.e.f. 31.08.2018)
	8 Mr. Seshagiri Rao (w.e.f. 31.08.2018)
	9 Mr. J. Nagarajan (Chief Financial Officer w.e.f. 21.01.2019)
	10 Mr. Ajay Kadhao (Company Secretary w.e.f. 21.01.2019)

Related parties with whom the Company has entered into transactions during the year

(h) Subsidiary of Joint Venturer of holding company	1 JSW Steel Coated Products Limited (w.e.f. 31.08.2018)
	2 GSI Lucchini S.P.A (w.e.f. 31.08.2018)
	3 Amba River Coke Limited (w.e.f. 31.08.2018)

B. Details relating to remuneration of Key Managerial Personnel

i) Remuneration of Key Managerial Personnel

	for the year ended 31 March 2020	for the year ended 31 March 2019
- Short term employee benefits	3.03	2.48

Note:

As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

ii) Directors Sitting fees

Compensated absences	for the year ended 31 March 2020	for the year ended 31 March 2019
- Ms. Anuradha Ambar Bajpai	0.03	0.05
- Ms. Sutapa Banerjee	0.03	0.02
- Mr. Jyotin Kantilal Mehta	0.04	0.05

Notes to financial statements

for the year ended 31 March 2020

C. The following transactions were carried out with related parties in the ordinary course of business:-

Amount (₹ in crores)

Related Party Transactions		Holding	Subsidiaries	Joint ventures	Joint Venturer of holding Co.	Subsidiary of joint venturer of holding Co.
Sales of goods						
JSW Steel Limited	31 March 2020	-	-	-	33.59	-
	31 March 2019	-	-	-	9.53	-
Loan Taken						
JSW Steel Limited	31 March 2020	-	-	-	89.50	-
	31 March 2019	-	-	-	125.00	-
Loan Repaid						
JSW Steel Limited	31 March 2020	-	-	-	-	-
	31 March 2019	-	-	-	9.12	-
Creixent Steel Limited	31 March 2020	-	-	-	-	
	31 March 2019	2.55	-	-	-	-
Loan Given						
Chomal Exports Private Limited	31 March 2020	-	0.04	-	-	-
	31 March 2019	-	-	-	-	-
Monnet Sports Foundation	31 March 2020	-	0.01	-	-	-
	31 March 2019	-	-	-	-	-
Mandakini Coal Company Limited	31 March 2020	-	-	0.14	-	-
	31 March 2019	-	-	-	-	-
MP Monnet Mining Company Limited	31 March 2020	-	-	#	-	-
	31 March 2019	-	-	-	-	-
Interest accrued on Loan						
JSW Steel Limited	31 March 2020	-	-	-	16.43	-
	31 March 2019	-	-	-	7.52	-
Purchase of Raw Material / stores / fixed assets						
JSW Steel Limited	31 March 2020	-	-	-	145.58	-
	31 March 2019	-	-	-	67.38	-
JSW Steel Coated Products Limited	31 March 2020	-	-	-	-	2.70
	31 March 2019	-	-	-	-	0.42
GSI Lucchini S.P.A	31 March 2020	-	-	-	-	4.37
	31 March 2019	-	-	-	-	-
Reimbursement of Expenses Payable						
JSW Steel Limited	31 March 2020	-	-	-	0.06	-
	31 March 2019	-	-	-	9.91	-
Reimbursement of Expenses Receivable						
JSW Steel Limited	31 March 2020	-	-	-	2.53	-
	31 March 2019	-	-	-	-	-
Creixent Special Steel Limited	31 March 2020	0.11	-	-	-	-
	31 March 2019	-	-	-	-	-

D. Net outstanding balances:-

Amount (₹ in crores)

Party's name		Holding	Subsidiaries	Joint ventures	Joint Venturer of holding Co.	Subsidiary of joint venturer of holding Co.
Trade receivables						
JSW Steel Limited	31 March 2020	-	-	-	5.91	-
	31 March 2019	-	-	-	0.03	-
JSW Steel Coated Products Limited	31 March 2020	-	-	-	-	0.03
	31 March 2019	-	-	-	-	0.08
Trade advance						
JSW Steel Limited	31 March 2020	-	-	-	1.89	-
	31 March 2019	-	-	-	-	-
Interest payable						
JSW Steel Limited	31 March 2020	-	-	-	21.48	-
	31 March 2019	-	-	-	7.52	-
Reimbursement of expenses receivable						
JSW Steel Limited	31 March 2020	-	-	-	2.53	-
	31 March 2019	-	-	-	-	-
Creixent Special Steel Limited	31 March 2020	0.03	-	-	-	-
	31 March 2019	-	-	-	-	-
Reimbursement of expenses payable						
JSW Steel Limited	31 March 2020	-	-	-	13.99	-
	31 March 2019	-	-	-	9.91	-
Amba River Coke Limited	31 March 2020	-	-	-	-	0.20
	31 March 2019	-	-	-	-	-
Trade payables						
JSW Steel Limited	31 March 2020	-	-	-	-	-
	31 March 2019	-	-	-	70.21	-
Loan received						
JSW Steel Limited	31 March 2020	-	-	-	214.50	-
	31 March 2019	-	-	-	125.00	-
Loan given						
Mandakini Coal Company Limited *	31 March 2020	-	-	6.41	-	-
	31 March 2019	-	-	6.27	-	-
Monnet Global Limited *	31 March 2020	-	55.95	-	-	-
	31 March 2019	-	55.95	-	-	-
MP Monnet Mining Company Limited *	31 March 2020	-	-	0.22	-	-
	31 March 2019	-	-	0.21	-	-
Monnet Ecomaister Enviro Private Limited *	31 March 2020	-	-	7.88	-	-
	31 March 2019	-	-	7.88	-	-

₹ 40,000

* Balances receivables from these related parties has been provided in books of accounts.

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

40. SEGMENT INFORMATION

The Company is in the business of manufacturing steel products and allied products having similar characteristics and reviewed by the chief operating decision maker for assessment of Company's performance and resource allocation. Accordingly, the Company has only one reportable operating segment as per Ind AS 108 - Operating segments.

Revenue from operations:

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
within India	2,391.69	1,803.12
outside India	246.47	76.29
Total	**2638.16**	**1879.41**

Non current assets of the Company as at 31 March 2020 are located as follows:

Particulars	within India	outside India	Total
Property, plant and equipment	3,219.68	-	3,219.68
Capital work-in-progress	237.63	-	237.63
Right of use assets	29.58	-	29.58
Other non-current assets	20.56	0.79	21.35
Total	**3507.45**	**0.79**	**3508.24**

Non current assets of the Company as at 31 March 2019 are located as follows:

Particulars	within India	outside India	Total
Property, plant and equipment	3,372.55	-	3,372.55
Capital work-in-progress	153.63	-	153.63
Other non-current assets	6.36	-	6.36
Total	**3,532.54**	**-**	**3,532.54**

41. DUES TO MICRO AND SMALL ENTERPRISES

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the company is given below:

Particulars	31 March 2020	31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	1.35	3.36
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

(Amount in ₹ crores, unless otherwise stated)

42. FINANCIAL INSTRUMENTS

42.1 Capital risk management

The Company, being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. The Company monitors its capital using gearing ratio which is net debt to total equity. Net debt includes interest bearing loans and borrowings less cash and cash equivalents and bank balances.

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The Company manages its capital structure and makes adjustments to it, based on underlying macro economic factors affecting business environment, financial market conditions and interest rates environment.

Particulars	31 March 2020	31 March 2019
Long term borrowings	2,251.53	2,044.10
Short term borrowings	367.63	154.21
Total borrowings	**2,619.16**	**2,198.31**
Less: Cash and cash equivalents	35.20	165.31
Less: Bank balances other than cash and cash equivalents	130.12	47.95
Net debt	**2,453.84**	**1,985.05**
Total equity	**1,485.99**	**1,977.80**
Gearing ratio (%)	**165.13%**	**100.37%**

(i) Equity includes all capital and reserves of the company that are managed as capital.

(ii) Debt is defined as long term borrowings and short term borrowings.

42.2 Categories of financial instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2020

Particulars	Amortised Cost	FVTOCI	FVTPL	Total carrying value	Total fair value
Financial assets					
Investment	-	0.75	-	0.75	0.75
Trade receivable	51.77	-	-	51.77	51.77
Cash and cash equivalents	35.20	-	-	35.20	35.20
Bank balances other than cash and cash equivalents	130.23	-	-	130.23	130.23
Derivative Instrument	-	-	7.75	7.75	7.75
Loans	0.34	-	-	0.34	0.34
Other financial assets	25.79	-	-	25.79	25.79
Total	**243.33**	**0.75**	**7.75**	**251.83**	**251.83**
Financial Liabilities					
Long term borrowings	2,251.53	-	-	2,251.53	2,251.53
Lease Liabilities	29.83	-	-	29.83	29.83
Short term borrowings	367.63	-	-	367.63	367.63
Trade payables	488.92	-	-	488.92	488.92
Derivative liabilities	-	-	0.20	0.20	0.20
Other financial liabilities	99.51	-	-	99.51	99.51
Total	**3,237.42**	**-**	**0.20**	**3,237.62**	**3,237.62**

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

As at 31 March 2019

Particulars	Amortised Cost	FVTOCI	FVTPL	Total carrying value	Total fair value
Financial assets					
Investment	-	0.99	-	0.99	0.99
Trade receivable	32.98	-	-	32.98	32.98
Cash and cash equivalents	165.31	-	-	165.31	165.31
Bank balances other than cash and cash equivalents	48.12	-	-	48.12	48.12
Loans	9.73	-	-	9.73	9.73
Other financial assets	28.01	-	-	28.01	28.01
Total	**284.15**	**0.99**	**-**	**285.14**	**285.14**
Financial Liabilities					
Long term borrowings	2,044.10	-	-	2,044.10	2,044.10
Short term borrowings	154.21	-	-	154.21	154.21
Trade payables	399.63	-	-	399.63	399.63
Other financial liabilities	33.83	-	-	33.83	33.83
Total	**2,631.77**	**-**	**-**	**2,631.77**	**2,631.77**

42.3 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, security deposits taken, employee liabilities. The Company's principal financial assets include trade and other receivables, loans given and cash and short-term deposits/ loan that derive directly from its operations. The company also holds FVTOCI investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by the Finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance function provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

42.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings and FVTOCI investments.

The sensitivity analysis of the above mentioned risk in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions. The analysis for contingent liabilities is provided in note 38.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

(Amount in ₹ crores, unless otherwise stated)

The following table provides a breakup of the Company's fixed and floating rate borrowings:

Particulars	31 March 2020	31 March 2019
Fixed rate borrowings	-	-
Floating rate borrowings	2,619.16	2,198.31
Total borrowings	**2,619.16**	**2,198.31**
Total net borrowings	2,619.16	2,198.31
Add: Upfront fees	20.56	20.90
Total borrowings	**2,639.72**	**2,219.21**

The following table demonstrates the sensitivity to change in interest rates, all other variables held constant :

	Increase/ decrease in basis points	Effect on profit before tax
31 March 2020		
INR	+50	(13.10)
INR	-50	13.10
31 March 2019		
INR	+50	(10.99)
INR	-50	10.99

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

B. Foreign currency risk management

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates.

The Company's functional currency is Indian Rupee (INR). The Company also undertakes transactions denominated in foreign currencies. Consequently, exposure to exchange rate fluctuations arises. Volatility in exchange rates affects the Company's revenue from export markets and the cost of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade portfolio.

A reasonably possible strengthening/weakening of the foreign currencies (USD / Euro/ AED) against INR would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit and loss by the amounts shown below. The analysis assumes that all other variables remain constant.

The Company basis its assessment, believes that there is no significant impact on the Company due to fluctuation in foreign currency due to COVID-19 as the Company has appropriately hedged its exposure to currency fluctuation risk by way of forward contracts.

Exposure to currency risk

The carrying amounts of the Company's monetary assets and liabilities at the end of the reporting period are:

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Currency Exposure as at 31 March 2020

Particulars	USD	EURO	AED	INR	Total
Financial assets					
Non current investment	-	-	-	0.75	0.75
Trade Receivable	20.11	-	-	31.66	51.77
Cash and cash equivalents	-	-	-	35.20	35.20
Bank balances other than cash and cash equivalents	-	-	-	130.23	130.23
Derivative Assets	7.75	-	-		7.75
Loans	-	-	-	0.34	0.34
Other financial assets	-	-	-	25.79	25.79
Total financial assets	**27.86**	**-**	**-**	**223.97**	**251.83**
Financial Liabilities					
Borrowings	-	-	-	2,619.16	2,619.16
Lease Liabilities	-	-	-	29.83	29.83
Trade payables	103.69	-	-	385.23	488.92
Derivative liabilities	0.04	0.16	-	-	0.20
Other financial liabilities	-	29.29	-	70.22	99.51
Total financial liabilities	**103.73**	**29.45**	**-**	**3,104.44**	**3,237.62**

Currency Exposure as at 31 March 2019

Particulars	USD	EURO	AED	INR	Total
Financial assets					
Non current investment				0.99	0.99
Trade Receivable	14.76	-	-	18.22	32.98
Loans	-	1.27	0.24	8.22	9.73
Cash and cash equivalents	-	-	-	165.31	165.31
Bank balances other than cash and cash equivalents	-	-	-	48.12	48.12
Other financial assets	-	-	-	28.01	28.01
Total financial assets	**14.76**	**1.27**	**0.24**	**268.87**	**285.14**
Financial Liabilities					
Borrowings	-	-	-	2,198.31	2,198.31
Trade payables	130.10	-	-	269.53	399.63
Other financial liabilities	-	-	-	33.83	33.83
Total financial liabilities	**130.10**	**-**	**-**	**2501.67**	**2,631.77**

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies net of hedge. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	Increase		Decrease	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Receivables				
USD/INR	0.09	(1.68)	(0.09)	1.68
EURO/INR	0.02	0.06	(0.02)	(0.06)
AED/INR	-	0.01	-	(0.01)

(Amount in ₹ crores, unless otherwise stated)

The forward exchange contracts entered into by the Company and outstanding are as under:

a) USD

As at	Nature	No of contracts	Type	USD equivalent	INR equivalent	MTM
31 March 2020	Assets	10	Buy	2.52	190.04	7.75
	Liabilities	6	Sell	0.24	18.24	0.04

a) EURO

As at	Nature	No of contracts	Type	USD equivalent	INR equivalent	MTM
31 March 2020	Liabilities	1	Buy	0.34	27.82	0.16

Unhedged currency risk position

I) Amounts receivable in foreign currency

a) USD

	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent
Trade receivables	0.03	1.87	0.21	14.76

b) EURO

	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent
Other recoverable	0.0001	0.43	0.02	1.27

c) AED

	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent
Other recoverable	-	-	0.01	0.24

II) Amounts payable in foreign currency

	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent
Trade Payables	-	-	0.67	48.43

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

42.5 Credit risk management:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assesses the Company's policy and updates the same as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date.

For financial assets in the form of cash and cash equivalents, bank deposits, investments, loans and other financial assets, the Company has assessed the change in counterparty credit risk due to COVID-19 and believe that the same are fully recoverable.

A. Trade receivables

Customer credit risk is managed through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At the year end the Company does not have any significant concentrations of bad debt risk other than that disclosed in note 11.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at the balance sheet date. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

B. Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

III. Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinarily high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

(Amount in ₹ crores, unless otherwise stated)

MATURITY PATTERN OF FINANCIAL ASSETS AND LIABILITIES:

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments.

As at 31 March 2020

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non current investment	-	-	0.75	0.75
Trade Receivable	51.77	-	-	51.77
Loans	0.34	-	-	0.34
Cash and cash equivalents	35.20	-	-	35.20
Bank balances other than Cash and cash equivalents	130.23	-	-	130.23
Derivative assets	7.75	-	-	7.75
Other financial assets	1.45	24.30	0.04	25.79
Total financial assets	**226.74**	**24.30**	**0.79**	**251.83**
Financial liabilities				
Long term borrowings	-	611.00	1,640.53	2,251.53
Lease Liabilities	0.98	3.02	25.83	29.83
Short term borrowings	367.63	-	-	367.63
Trade payables	488.92	-	-	488.92
Derivative liabilities	0.20	-	-	0.20
Other financial liabilities	99.51	-	-	99.51
Interest Payout liability on borrowings.	219.42	828.62	471.55	1519.59
Interest payout on liability on leases	0.10	0.57	11.13	11.80
Total financial liabilities	**1,176.76**	**1,443.21**	**2,149.04**	**4,769.01**

As at 31 March 2019

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non current investment	-	-	0.99	0.99
Trade receivable	32.98	-	-	32.98
Loans	9.73	-	-	9.73
Cash and cash equivalents	165.31	-	-	165.31
Bank balances other than Cash and cash equivalents	-	-	48.12	48.12
Other financial assets	22.16	0.68	5.17	28.01
Total financial assets	**230.18**	**0.68**	**54.28**	**285.14**
Financial liabilities				
Long term borrowings	-	281.30	1,783.70	2,065.00
Short term borrowings	154.21	-	-	154.21
Trade payables	399.63	-	-	399.63
Other financial liabilities	33.83	-	-	33.83
Interest payout liability on borrowings	196.19	865.95	653.54	1715.78
Total financial liabilities	**783.86**	**1147.25**	**2437.34**	**4368.45**

Collateral

The Company has pledged part of its trade receivables, cash and cash equivalents and bank balances in order to fulfil certain collateral requirements for the banking facilities extended to the Company. (refer note 19)

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

43. LEVEL WISE DISCLOSURE OF FINANCIAL INSTRUMENTS

Particulars	31 March 2020	31 March 2019	Level	Valuation Technique
Quoted investments in equity shares measured at FVTOCI	0.75	0.99	1	Quoted bid prices in an active market
Derivative assets	7.75	-	2	The fair value of forward contracts is determined using forward exchange rate as at the balance sheet date
Derivative liabilities	0.20	-	2	The fair value of forward contracts is determined using forward exchange rate as at the balance sheet date

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

44. ASSETS HELD FOR SALE

Particulars	31 March 2020	31 March 2019
Investment in equity shares of Monnet Ecomaister Enviro Private Limited (refer note I below)	0.001	0.001
Preference shares in Orissa Sponge Iron & Steel Limited (refer note II below)	-	2.92
Loan to Orissa Sponge Iron & Steel Limited (refer note II below)	-	0.39
Investment in equity shares of Monnet Cement Limited (refer note III below)	-	-
Advance for properties	5.96	-
Total	**5.96**	**3.31**

I. The Company had entered into an MOU with Ecomaister Company Limited, South Korea for transfer of its holding in JV company Monnet Ecomaister Enviro Private Limited having an initial carrying value of ₹ 14.21 crores (provision of ₹ 14.21 crores, hence net book value is zero) for a total consideration of ₹ 10,000 (Rupees Ten Thousand). Accordingly, the company has measured the said investment at lower of its carrying amount and fair value less costs to sell and classified it as held-for-sale.

II. Post Board approval dated 27 March 2019, the Company has entered into an agreement for sale of its investment in preference shares and loan given to Orissa Sponge Iron and Steel Limited. Accordingly, these amounts were reclassified as held for sale at that time at lower of its carrying amount and fair value less cost to sell, however upon receipt of consideration thereafter on 16 April 2019 the same stands settled.

III. In board meeting held on 20 January 2020 , resolution was passed to sale entire stake in Monnet Cement Limited. Accordingly, the Company has re-classified investment as held for sale.

45. IMPAIRMENT OF CURRENT AND NON CURRENT ASSETS

Following the IBC Proceedings, a third party consultant was appointed to assess the recoverable amount of the CGU on the effective date of the order i.e. 31 August 2018.

In previous year, the Company had recognized an impairment loss against property, plant and equipment of ₹ 2,370.92 crores and capital work in progress of ₹ 31.94 crores. Further, capital work in progress amounting to ₹ 26.89 crores had been written off due to discontinuation of the underlying projects.

The recoverable amount was determined with the assistance of independent appraisers.

(Amount in ₹ crores, unless otherwise stated)

The impairment loss was allocated to assets as presented below:

Particulars	Impairment Loss recognised through profit and loss account	Impairment Loss recognised through other comprehensive income
Assets		
Property Plant and Equipment including capital work in progress and intangible assets	2,429.75	-
Investments	587.72	34.05
Inventories	79.30	-
Trade Receivables	15.70	-
Loans and Other Receivables	802.23	-
Total	**3,914.70**	**34.05**

During the current year, in view of operating losses and temporary shut down of plants, the management has assessed the recoverable value of property, plant and equipment of Raigarh and Raipur locations with the help of independent valuation expert and concluded that no additional provision for impairment is necessary.

46. Pursuant to the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 initiated on 18 July 2017, the National Company Law Tribunal (NCLT) on 24 July 2018 (Order date) approved (with modifications), the Resolution Plan (the Plan) submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited, which, inter alia, resulted in the following:

(a) Extinguishment of 5,07,32,841 equity shares of ₹ 10 each and 1,75,00,000 preference shares of ₹ 100 each held by the erstwhile promoters. The said amount has been transferred to capital redemption reserve

(b) Reduction in the face value of the balance 36,52,33,620 equity shares (including the equity shares issued under (c) and (d) below) held by the non- promoter equity shareholders to ₹ 3.30 per share and their consolidation into 12,05,27,534 equity shares of ₹ 10 each. The difference has been transferred to capital redemption reserve.

(c) Settlement of debts of financial creditors amounting to ₹ 10,247.86 crores, partly by issue of 20,00,56,892 equity shares of ₹ 10 each, partly by cash payment of ₹ 2,457 crores, and partly by the effective purchase of the remaining debt, (on deemed conversion into Optionally Convertible Preference shares), for a sum of ₹ 199.85 crores by a company of the consortium, Milloret Steel Limited (MSL).

(d) Settlement of corporate guarantees issued to financial creditors amounting to ₹ 767.05 crores, partly by issue of 1,51,41,327 equity shares of ₹ 10 each and cash payment of ₹ 20.07 crores.

(e) Settlement of operational creditors, (other than employees and workmen), for a sum of ₹ 25 crores payable by the Company within one year from the Order date and extinguishment of other current and non-current liabilities standing as on the commencement of Corporate Insolvency Resolution Process.

(f) Extinguishment of all contingent liabilities, commitments and other claims and obligations including all taxes and other government dues standing as on the effective date (i.e. 31 August 2018).

47. Milloret Steel Limited, amalgamated with the Company, with effect from August 31, 2018, in accordance with the terms of the final resolution plan approved by the Mumbai bench of National Company Law Tribunal vide its order dated July 24, 2018. The Company issued 34,90,000 equity shares and 52,59,80,000 compulsorily convertible preference shares of ₹ 10 each to shareholders of Milloret Steel Limited in the ratio of one share of the Company for every one share of Milloret Steel Limited pursuant to the Scheme. All the assets and liabilities of Milloret Steel Limited were recorded by the Company at their respective fair values. Optionally convertible preference shares (OCPS) of ₹7486.88 crores, issued by the Company and purchased by Milloret Steel Limited for ₹199.85 crores were extinguished and the resultant surplus of ₹ 7287.03 cr has been recognized as equity contribution resulted on merger in other equity.

Notes to financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Details of the share capital issued and net assets acquired are as follows:

Assets/ (Liabilities)	Amount in crores
Assets	
Current Assets	
Financial Assets	
Cash and cash equivalents	675.15
Others	209.14
Other Current Assets	9.51
Fees for authorized share capital	2.55
Total assets	**896.35**
Other Equity	(0.04)
Liabilities	
Borrowings	9.12
Other Financial liabilities	9.87
Other current liabilities	2.40
Total liabilities	**21.35**
Net consideration settled by issue of equity / Compulsory Convertible preference shares	**875.00**

48. The Hon'ble Supreme Court of India by its Order dated 24th December, 2014 had cancelled a number of coal blocks allocated to various entities which includes five under development mines allotted to the Company or its joint venture companies. The Ministry of Law and Justice (Legislative Department), Government of India, has promulgated an Ordinance on October 21, 2014 for implementing the order of Hon'ble Supreme Court and fixation of compensation etc.

The Company had invested directly or through Joint Ventures in the following coal blocks which have been cancelled pursuant to the court order as mentioned here in above:

Particulars	Expenditure on capital work in progress	Investment in Shares	Other Current & Non-current assets / (liabilities)	Total
Coal Blocks allotted to the Company				
Utkal – B2	44.07	-	-	44.07
Rajgamar	13.96	-	-	13.96
Coal Block through JVs				
Mandakini Coal Company Limited	-	39.30	3.09	42.39
Urtan North Mining Company Limited	-	5.75	(0.82)	4.93
MP Monnet Mining Company Limited	-	0.98	2.71	3.69
	58.03	**46.03**	**4.98**	**109.04**
Less: Provision for Impairment	44.07	46.03	4.44	94.54
Net Carrying Value	**13.96**	**-**	**0.54**	**14.50**

(Amount in ₹ crores, unless otherwise stated)

49. DISCLOSURE UNDER IND AS 7 'STATEMENT OF CASH FLOWS'

Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

Particulars	31 March 2019	Cash flows	Non-cash changes	31 March 2020
			Fair value changes	
Interest Payable	7.97	(233.91)	250.14	24.20
Long-term borrowings	2,044.10	207.09	0.34	2,251.53
Short term borrowings	154.21	213.42	-	367.63
Total liabilities from financing activities	**2206.28**	**186.60**	**250.48**	**2643.36**

Particulars	31 March 2018	Cash flows	Non-cash changes	31 March 2019
			Fair value changes	
Interest Payable	2446.00	(118.29)	(2319.74)	7.97
Long-term borrowings	6,631.86	(96.24)	(4,491.52)	2,044.10
Short term borrowings	1,908.85	(156.12)	(1,598.52)	154.21
Total liabilities from financing activities	**10986.71**	**(370.65)**	**(8409.78)**	**2206.28**

50. ADDITIONAL INFORMATION

A) C.I.F value of imports:

Particulars	31 March 2020	31 March 2019
Capital Goods	5.04	17.81
Raw Material, Stores and Spares	300.74	108.69

B) Expenditure in Foreign currency:

Particulars	31 March 2020	31 March 2019
Foreign Travelling	0.15	0.04
Financial Charges	0.16	-

C) Earnings in Foreign currency:

Particulars	31 March 2020	31 March 2019
FOB value of exports	246.47	76.29

51. The figures for the corresponding previous years have been reclassified / regrouped wherever necessary to make them comparable.

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana
Whole Time Director
DIN: 03298700

Nikhil Gahrotra
Director
DIN: 01277756

J. Nagarajan
Chief Financial Officer

Ajay Kadhao
Company Secretary
M. No. ACS-13444

Independent auditor's report

TO THE MEMBERS OF MONNET ISPAT AND ENERGY LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Monnet Ispat and Energy Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its associate and joint venture entities, which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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 the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Recoverable value assessment of Property, plant and equipment The Company to revamp its manufacturing facilities, temporarily shut-down some of its plants at Raigarh location. In view of operating losses under such stabilisation phase, sluggish demand and pricing pressures, the management has assessed the recoverable value of property, plant and equipment engaging an independent external expert. Replacement cost estimation involves significant judgement and estimates. [Refer note 48 to the consolidated financial statements]	Our procedures included but not limited to: • Evaluating the design and implementation, and testing the operating effectiveness of the relevant controls over determination of recoverable value of property, plant and equipment • Assessing the accuracy and completeness of the information shared with the independent expert engaged by the management • Evaluating the reasonableness of the valuation provided by the independent expert by challenging the significant assumptions used and estimates and judgements made in deriving the valuation with the help of internal fair value specialist • Assessing the competence and independence of the valuation expert engaged by the Company for determining the replacement cost of property, plant and equipment • Verification of accounting implications, if any, and appropriateness of disclosures in the consolidated financial statements

Independent auditor's report

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors report, Management Discussion and Analysis and Business Responsibility Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated cash flows and consolidated changes in equity of the Group including its associate and joint venture entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate and joint venture 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 its associate and its joint venture entities 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture entities are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture entities are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture entities.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Independent auditor's report

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 5.04 crore as at 31 March, 2020, total revenues of ₹ Nil and net cash inflows amounting to ₹ 0.47 crore for the year ended on that date, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports 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 subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of ₹ 32.34 crore as at 31 March, 2020, total revenues of ₹ Nil and net cash inflows of ₹ Nil 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 loss of ₹ Nil for the year ended 31 March, 2020, as considered in the consolidated financial statements, in respect of 5 joint venture entities, whose financial statements have not been audited by us. These financial statements 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 subsidiaries and joint venture entities, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

We have been informed by the Management that upon initiation of the Liquidation proceedings in respect of an associate under the provisions of the Insolvency and Bankruptcy Code, 2016, it has ceased to be an associate of the Group and accordingly the financial statements of this entity have not been furnished to us. However, in view of the last audited financial statements and other financial information available, the Company has written off its investment in the aforesaid entity and Management has represented to us that there is no continuing obligation to bear further losses by the Company. Accordingly, in our opinion and according to the information and representations given to us by the Management, non-receipt of these financial statements will have no impact on the consolidated financial statements of the Group.

c) The comparative financial information of the Group as at and for the year ended 31 March, 2019 prepared in accordance with Ind AS included in the consolidated financial statements has been audited by the predecessor auditor. The report of the predecessor auditor on such comparative financial information dated 17 May, 2019 expressed an unmodified opinion.

Our opinion on the consolidated financial statements above 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 work done and the reports of the other auditors and the financial statements certified by the Management, and in respect of the comparative financial information.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above 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, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2020 taken on record by the Board of Directors of the Company and the report of the statutory auditors of a subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and a subsidiary company incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

      ii) The Group 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 Parent and its subsidiary company, incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Rakesh Sharma)
Partner
(Membership No. 102042)
(UDIN No. : 20102042AAAAAU9795)

Place: Mumbai
Date: 18.05.2020

Annexure "A" to the independent auditor's report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting of Monnet Ispat and Energy Limited (hereinafter referred to as "Parent") and its subsidiary company, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of a subsidiary company, which is a company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Rakesh Sharma)
Partner
(Membership No. 102042)
(UDIN No. : 20102042AAAAAU9795)

Place: Mumbai
Date: 18.05.2020

Consolidated balance sheet

As at 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

			Notes	As at 31 March 2020	As at 31 March 2019
A.	**ASSETS**				
1.	**Non-current assets**				
	a.	Property, plant and equipment	4	3,223.92	3,378.33
	b.	Capital work-in-progress		237.63	182.15
	c.	Intangible assets	5	-	-
	d.	Right of use assets	41	29.58	-
	e.	Investments in associate and joint ventures	6	-	-
	f.	Financial assets			
		i. Investments	7	0.75	0.99
		ii. Other financial assets	8	24.35	18.58
	g.	Current tax assets (net)	9	3.25	2.13
	h.	Other non-current assets	10	21.35	6.36
	Total non-current assets			**3,540.83**	3,588.54
2.	**Current assets**				
	a.	Inventories	11	857.49	658.81
	b.	Financial assets			
		i. Trade receivables	12	51.77	32.98
		ii. Cash and cash equivalents	13 a	35.83	165.47
		iii. Bank Balance other than above	13 b	130.23	48.12
		iv. Derivative assets	14	7.75	-
		v. Loans	15	0.36	9.72
		vi. Other financial assets	16	1.45	9.45
	c.	Other current assets	17	135.03	162.81
	d.	Assets classified as held for sale	37	38.47	3.31
	Total current assets			**1,258.38**	**1,090.67**
	Total Assets			**4,799.21**	**4,679.21**
B.	**EQUITY AND LIABILITIES**				
	Equity				
	a.	Share capital	18	995.53	995.53
	b.	Other equity	19	177.27	698.48
Equity attributable to equity holders of the parent				**1,172.80**	**1,694.01**
Non-controlling interests				(0.08)	0.04
Total Equity				**1,172.72**	**1,694.05**
Liabilities					
1.	**Non-current liabilities**				
	a.	Financial liabilities			
		i. Borrowings	20	2,251.53	2,044.10
		ii. Lease liabilities	21	29.83	-
	b.	Provisions	22	4.64	3.23
	c.	Deferred tax liabilities (net)	23	-	-
	Total non-current liabilities			**2,286.00**	**2,047.33**
2.	**Current liabilities**				
	a.	Financial liabilities			
		i. Borrowings	20	367.63	154.21
		ii. Trade payables	24		
		- total outstanding dues of micro and small enterprises;		1.35	3.36
		- total outstanding dues of creditors other than micro and small enterprises		487.57	396.37
		iii. Derivative liabilities	25	0.20	-
		iv. Other financial liabilities	26	446.90	353.10
	b.	Other current liabilities	27	32.71	30.48
	c.	Provisions	22	0.84	0.31
	d.	Liabilities classified as held for sales	37	3.29	-
	Total current liabilities			**1,340.49**	**937.83**
	Total equity and liabilities			**4,799.21**	**4,679.21**

The accompanying Notes 1 to 54 form an integral part of these financial statements

In terms of our report of even date annexed

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rakesh Sharma
Partner

Place : Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana
Whole Time Director
DIN: 03298700

Nikhil Gahrotra
Director
DIN: 01277756

J. Nagarajan
Chief Financial Officer

Ajay Kadhao
Company Secretary
M. No. ACS-13444

Consolidated statement of profit and loss

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
INCOME FROM OPERATIONS			
a. Gross sales	28A	2607.76	1872.35
b. Other operating income	28B	30.40	7.06
Total revenue from operations		**2638.16**	**1879.41**
c. Other income	29	26.28	27
Total Income (I)		**2,664.44**	**1,906.41**
EXPENSES			
a. Cost of material consumed		1,977.84	1,744.01
b. Changes in inventories of finished goods, stock in trade and work-in-progress	30	(34.48)	(266.01)
c. Employee benefits expense	31	117.00	90.35
d. Finance costs	32	253.32	445.27
e. Depreciation and amortisation expense	33	218.76	277.51
f. Power and fuel		287.28	147.85
g. Other expenses	34	336.72	164.00
Total Expenses (II)		**3,156.44**	**2,602.98**
Loss before exceptional items and tax (I-II)		**(492.00)**	**(696.57)**
Exceptional items	35	-	2,855.67
Loss before tax		**(492.00)**	**(3,552.24)**
Tax expense:	23		
Current Tax		-	-
Deferred Tax		-	-
Loss after tax for the year		**(492.00)**	**(3,552.24)**
Other comprehensive (loss)/ income			
A. i. Items that will not be reclassified to profit or loss			
a. Remeasurement of net defined benefit plans		(3.41)	1.01
b. Equity instruments through other comprehensive income		(0.23)	(34.07)
ii. Income tax effect		-	-
B. i. Items that will be reclassified to profit or loss			
a. Foreign exchange translation reserve		(25.69)	9.98
ii. Income tax effect		-	-
Total other comprehensive loss for the year		**(29.33)**	**(23.08)**
Total comprehensive loss for the year		**(521.33)**	**(3,575.32)**
Attributable to:			
Owners of the company		**(521.21)**	**(3,575.19)**
Non controlling interests		**(0.12)**	**(0.13)**
Of the total comprehensive loss above			
Loss for the year attributable to:			
Owners of the company		**(491.88)**	**(3,552.11)**
Non controlling interests		**(0.12)**	**(0.13)**
Of the total comprehensive loss above			
Other comprehensive loss for the year attributable to:			
Owners of the company		**(29.33)**	**(23.08)**
Non controlling interests		**-**	**-**
Earnings per equity share of ₹ 10 each	36		
(1) Basic (in ₹)		**(10.48)**	**(96.92)**
(2) Diluted (in ₹)		**(10.48)**	**(96.92)**

The accompanying Notes 1 to 54 form an integral part of these financial statements

In terms of our report of even date annexed

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rakesh Sharma
Partner

Place : Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana
Whole Time Director
DIN: 03298700

Nikhil Gahrotra
Director
DIN: 01277756

J. Nagarajan
Chief Financial Officer

Ajay Kadhao
Company Secretary
M. No. ACS-13444

Consolidated statement of cash flows

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

		Year ended 31 March 2020		Year ended 31 March 2019	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net loss before tax		(492.00)		(3,552.11)
	Adjusted for :				
	Depreciation and amortization expenses	218.76		277.51	
	Interest income	(11.55)		(14.09)	
	Interest expenses	253.32		445.27	
	(Profit)/Loss on sale of property, plant and equipment	(0.01)		-	
	Exchange differences in translating the financial statements of foreign operations	-		6.86	
	Unrealised exchange loss/ (gain)	3.59		(1.55)	
	Gain arising of financial instruments designated as FVTPL (net)	(7.55)		-	
	Provision/ liability written back	(4.68)		-	
	Provision on inventories	36.68		50.04	
	Gain on sale of investments	(0.09)		-	
	P&L balance transferred on merger	-		(2.66)	
	Impairment of non current investments	-		537.32	
	Impairment of property, plant and equipment	-		2,601.81	
	Non recoverable advances written off	-		238.12	
	Financial liability written back	-		(1,008.32)	
	Operational liability written back	-		(169.24)	
	Impairment of inventory	-		79.30	
	Write off of trade receivables	-		16.17	
	Provision for non recoverable advances	1.80		533.51	
			490.27		3,590.05
	Operating profit before working capital changes		(1.73)		37.94
	Working capital adjustments:				
	Increase in inventories	(235.36)		(467.19)	
	Increase in trade and other receivables	(70.29)		(115.67)	
	Increase in Trade and Other liabilities	113.46		352.34	
	(Decrease)/ Increase in Provisions	(1.47)		0.14	
			(193.66)		(230.38)
	Cash used in Operations		(195.39)		(192.44)
	Income taxes paid (net)		(1.12)		(1.35)
	Net cash used in operating activities		**(196.51)**		**(193.79)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of property, plant and equipment including under development	(129.23)		(77.77)	
	Cash and cash equivalents acquired on merger	-		675.15	
	Proceeds from sale of subsidiaries	*		-	
	Proceeds from sale of property, plant and equipment	0.28		0.27	
	Purchase of investments	(31.50)		-	
	Proceeds from sale of investments	31.59		0.03	
	Interest Received	10.47		14.09	
	Net cash (used in)/ generated from Investing Activities		**(118.39)**		**611.77**

Consolidated statement of cash flows

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

	Year ended 31 March 2020		Year ended 31 March 2019	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(234.21)		(118.29)	
Payment of lease liabilities	(1.04)		-	
Proceeds/ (repayment) of long term borrowings	207.09		(69.78)	
Proceeds/ (repayment) of short term borrowings (net)	213.42		(156.12)	
Net cash generated from/ (used in) financing activities		**185.26**		**(344.19)**
Net increase in Cash and Cash Equivalents (A+B+C)		**(129.64)**		**73.79**
Cash and cash equivalents at the beginning if the year		**165.47**		**91.68**
Cash and cash equivalents at the end of the year		**35.83**		**165.47**

* ₹ 2

Note:

The consolidated statement of cash flows has been prepared using the indirect method as set out in Ind AS 7 - Statement of Cash Flows.

The accompanying Notes 1 to 54 form an integral part of these financial statements

In terms of our report of even date annexed

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rakesh Sharma
Partner

Place : Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana
Whole Time Director
DIN: 03298700

Nikhil Gahrotra
Director
DIN: 01277756

J. Nagarajan
Chief Financial Officer

Ajay Kadhao
Company Secretary
M. No. ACS-13444

Statement of changes in equity

for the year ended 31 March 2020

A. SHARE CAPITAL FOR ISSUED, SUBSCRIBED AND PAID UP

(Amount in Rupees crores, unless otherwise stated)

Particulars	Note	Equity share capital	Preference share capital	Total
As at 1st April 2018	18	469.55	-	**469.55**
Changes during the year		-	525.98	**525.98**
As at 31 March 2019	18	469.55	525.98	**995.53**
Changes during the year		-	-	**-**
As at 31 March 2020	18	**469.55**	**525.98**	**995.53**

B. OTHER EQUITY (Refer note 19)

	Attributable to the equity holders of the parent										Items of OCI	Total equity	Non-controlling interest	Total equity
	Reserves and surplus													
	Capital reserve	Share premium	Debenture redemption reserve	Capital redemption reserve	Capital reconstruction reserve	Amalgamation reserve	Equity contribution resulted on merger	General reserve	Retained earnings	Foreign exchange translation reserve (Net)	Equity instruments through OCI			
As at 1 April 2018	77.77	1,114.50	86.02	1.89	19.68	3.31	-	163.97	(4,853.02)	(23.95)	(68.21)	(3,478.04)	0.15	(3,477.89)
Net loss for the year	-	-	-	-	-	-	-	-	(3,552.11)	-	-	(3,552.11)	(0.13)	(3,552.24)
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	-	-	1.01	9.98	(34.07)	(23.08)	-	(23.08)
Implementation of resolution plan (refer note No 50 & 51)	-	-	(86.02)	470.46	-	-	7,287.03	86.02	-	-	-	7,757.49	-	7,757.49
Transfer on amalgamation	-	-	-	-	-	-	-	-	(2.66)	-	-	(2.66)	-	(2.66)
Adjustment on cessation of control in subsidiary	-	-	-	-	-	-	-	-	-	(3.12)	-	(3.12)	0.02	(3.10)
As at 31 March 2019	**77.77**	**1,114.50**	**-**	**472.35**	**19.68**	**3.31**	**7,287.03**	**249.99**	**(8,406.78)**	**(17.09)**	**(102.28)**	**698.48**	**0.04**	**698.52**
Net loss for the year	-	-	-	-	-	-	-	-	(491.88)	-	-	(491.88)	(0.12)	(492.00)
Other comprehensive income/ (loss) for the year, net of income tax	-	-	-	-	-	-	-	-	(3.41)	(25.69)	(0.23)	(29.33)	-	(29.33)
As at 31 March 2020	**77.77**	**1,114.50**	**-**	**472.35**	**19.68**	**3.31**	**7,287.03**	**249.99**	**(8,902.07)**	**(42.78)**	**(102.51)**	**177.27**	**(0.08)**	**177.19**

The accompanying notes 1 to 54 form an integral part of these financial statements

In terms of our report of even date annexed

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rakesh Sharma
Partner

Place : Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana
Whole Time Director
DIN: 03298700

J. Nagarajan
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Ajay Kadhao
Company Secretary
M. No. ACS-13444

Consolidated financial statements

for the year ended 31 March 2020
Accounting Policies

1. CORPORATE INFORMATION

Monnet Ispat & Energy Limited ("MIEL" or the "Company") is a limited company domiciled in India and was incorporated on 1st February 1990. Equity shares of The Group are listed in India on the Bombay Stock Exchange, the National Stock Exchange and the Kolkata Stock Exchange. The registered office of The Group is located at Monnet Marg, Mandir, Hasaud Raipur- 492101 (Chhattisgarh), India.

MIEL and its subsidiaries (together referred to as the "Group) along with its associate and joint venture companies are engaged in manufacturing and marketing of sponge iron, steel and ferro alloys, along with billets and pellets. MIEL is primary steel producer and has an integrated steel plant at Raigarh, which is currently operating at a capacity of ~1 MTPA, with the ability to scale up to 1.5 MTPA on completion of balance steel making facilities. MIEL also has another unit for steel production at Raipur with 0.25 MTPA capacity.

2. SIGNIFICANT ACCOUNTING POLICIES

I. Statement of compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III of the Companies Act 2013 , (Ind AS Compliant Schedule III),as applicable to standalone financial statement.

Accordingly, The Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

These financial statements are approved for issue by the Board of Directors on 18 May, 2020.

II. Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period as explained in the accounting policies below, and acquisition of subsidiaries where assets and liabilities are measured at fair values as at the date of acquisition in accordance with Ind AS 103.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statement is presented in ₹ and all values are rounded to the nearest crores except when otherwise stated.

Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, The Group's normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in The Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at

the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

III. Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies

IV. Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised

Consolidated financial statements

for the year ended 31 March 2020
Accounting Policies

and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognizing gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

If the initial accounting for a business combination is incomplete by the end of the financial year, the provisional amounts for which the accounting is incomplete shall be disclosed in the financial statements and provisional amounts recognized at the acquisition date shall be retrospectively adjusted during the measurement period. During the measurement period, the group shall also recognize additional assets or liabilities if the new information is obtained about facts and circumstances that existed as of the acquisition date and if known, would have resulted in the recognition of those assets and liabilities as of that date. However, the measurement period shall not exceed the period of one year from the acquisition date.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

V. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in the consolidated Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 2(VI) below.

VI. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to an associate or a joint venture, or when the investment is classified as held for sale.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that not related to the Group.

VII. Revenue Recognition

a. Sale of Goods

The Group recognizes revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which The Group expects to be entitled in exchange for those goods or services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, or other similar items in a contract when they are highly probable to be provided. The amount of revenue excludes any amount collected on behalf of third parties.

The Group recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. In contracts where freight is arranged by The Group and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognized when such freight services are rendered.

In revenue arrangements with multiple performance obligations, The Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices. Revenue from sale of by products are included in revenue.

Consolidated financial statements

for the year ended 31 March 2020
Accounting Policies

Revenue from sale of power is recognised when delivered and measured based on the bilateral contractual arrangements.

Contract balances

- **Contract assets:**
  A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If The Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration including Trade receivables

- **Contract liabilities**

  A contract liability is the obligation to transfer goods or services to a customer for which The Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before The Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when The Group performs under the contract including Advance received from Customer

- **Refund liabilities**
  A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount The Group ultimately expects it will have to return to the customer including volume rebates and discounts. The Group updates its estimates of refund liabilities at the end of each reporting period.

b. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to The Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to The Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

VIII. Foreign Currency

The functional currency of The Group and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of The Group is ₹.

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items; and

IX. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised in the Standalone Statement of Profit and Loss in the period in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if The Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

X. Government Grants

Government grants are not recognized until there is reasonable assurance that The Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which The Group recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

XI. Employee Benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the year of a plan amendment or when The Group recognizes corresponding restructuring cost whichever is earlier. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in The Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the year the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by The Group in respect of services provided by employees up to the reporting date.

XII. Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. While determining the tax provisions, the Company assesses whether each uncertain tax position is to considered separately or together with one or more uncertain tax positions depending the nature and circumstance of each uncertain tax position.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and on carried forward depreciation and business losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Consolidated financial statements

for the year ended 31 March 2020
Accounting Policies

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as a deferred tax asset if there is convincing evidence that The Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to The Group.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the financial statements of the Group.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

XIII. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue (net of cost) generated from production during the trial period is capitalised

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Particulars	Useful lives
Plant and Machinery at SMS division	20 years
Rolls and Reals in rolling mill and bar mill	5 years

When significant parts of plant and equipment are required to be replaced at intervals, The Group depreciates them separately based on estimate of their specific useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

IX. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

X. Mining Assets

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment indicators at least annually.

The Group measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration - Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered

XI. Impairment of Property, plant and equipment and Intangible Assets

At the end of each reporting year, The Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, The Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

Consolidated financial statements

for the year ended 31 March 2020
Accounting Policies

XIV. Leases

The Group as a lessor

Leases for which The Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When The Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The Group as a lessee

Policy applicable prior to April 01, 2019

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset, other than lease hold land, is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Policy applicable from April 01, 2019

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. April 1, 2019. The Group has used the modified retrospective approach for transitioning to Ind AS 116.

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assesses whether: (i) the contact involves the use of an identified asset (ii) The Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, The Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, The Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if The Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

XII. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

XIII. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

XIV. Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss

A. Financial assets

a) Recognition and initial measurement

A financial asset is initially recognised at fair value and, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Purchases and sales of financial assets are recognised on the trade date, which is the date on which The Group becomes a party to the contractual provisions of the instrument.

b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both the of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If The Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, The Group may transfer the cumulative gain or loss within equity.

Consolidated financial statements

for the year ended 31 March 2020
Accounting Policies

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, The Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

- The Group's right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

C) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

D) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to The Group in accordance with the contract and all the cash flows that The Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If The Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, The Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, The Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, The Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, The Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, The Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

E) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in statement of profit or loss and is included in the 'Other income' line item.

B. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by The Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of The Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of The Group's own equity instruments

C) Financial liabilities at amortised cost

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that The Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with The Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the Statement of Profit and Loss. For Liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI.

The Group derecognises financial liabilities when, and only when, The Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Other financial liabilities:

The Group enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for import of raw materials and property, plant and equipment. The banks and financial institutions are subsequently repaid by The Group at a later date providing working capital benefits. These arrangements

Consolidated financial statements

for the year ended 31 March 2020
Accounting Policies

are in the nature of credit extended in normal operating cycle and these arrangements for raw materials are recognized as Acceptances (under trade payables) and arrangements for property, plant and equipment are recognised as other financial liabilities. Interest borne by The Group on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:
The Group derecognises financial liabilities when, and only when, The Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the standalone statement of profit or loss.

D) Derivative financial instruments
The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Standalone Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Standalone Statement of Profit and Loss depends on the nature of the hedge item.

E) Embedded derivatives
An embedded derivative is a component of a hybrid (combined) instrument that also includes a nonderivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, The Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted

XV. Cash and cash equivalents
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of The Group's cash management.

XVI. Earnings per share
Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3A. Estimation of uncertainties relating to the global health pandemic from COVID-19:
On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic. The Group's operations were impacted due to shutdown of its plants following nationwide lockdown by the Government of India in view of COVID-19. With easing of some restrictions, the Group restarted the integrated steel making operations in May 2020.

Based on initial assessment, the Management does not expect any significant medium to long-term impact on the business of the Group due to the COVID-19 pandemic. The Group has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory and receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to the above, and the Group's liquidity position, there is no material uncertainty in meeting the financial obligations over the foreseeable future.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

3B. Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under section 2 above, The Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

A) Key sources of estimation uncertainty

I) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods.

II) Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate for the recoverable value of property, plant and equipment. The recoverable value computation by fair value method using cost approach involves Management relying on third party quotations of similar assets, expert's data bank for construction rates and the indices, as considered by its independent valuation expert in arriving at the fair value. Any subsequent changes in the above input factors could impact the carrying value of property, plant and equipment.

iii) Impairment of investments in joint- ventures and associates

Determining whether the investments in joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the management have anticipated the businesses/operations of the investee companies. Any subsequent changes to the cash flows due to changes in the operations mentioned above could impact the carrying value of investments.

Iv) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against The Group. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. The cases which have been determined as remote by The Group are not disclosed.

Contingent assets are neither recognized nor disclosed in the financial statements unless when an inflow of economic benefits is probable

v) Fair value measurement

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

VI) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Recent Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land & site development	Leasehold land	Other Buildings	Plant and equipment	Office equipments	Furniture and Fixtures	Vehicles	Aircraft	Total
As at April 1, 2018	**46.25**	**36.85**	**796.87**	**6,998.84**	**12.36**	**47.29**	**12.16**	**63.88**	**8,014.50**
Additions	-	-	0.07	1.26	0.26	0.02	2.40	-	4.01
Disposals	-	-	-	0.02	-	-	(1.04)	-	(1.02)
Translation reserve	-	-	0.13	(0.001)	0.002	0.01	-	1.02	1.16
As at March 31, 2019	**46.25**	**36.85**	**797.07**	**7,000.12**	**12.62**	**47.32**	**13.52**	**64.90**	**8,018.65**
Additions	-	-	2.32	56.32	1.35	0.19	3.34	-	63.52
Disposals	-	-	-	-	-	-	(2.72)	-	(2.72)
Translation reserve	-	-	0.11	-	-	0.02	-	0.37	0.50
Transfer to held for sale	(0.16)	-	-	(0.003)	-	-	-	-	(0.16)
As at March 31, 2020	**46.09**	**36.85**	**799.50**	**7,056.44**	**13.97**	**47.53**	**14.14**	**65.27**	**8,079.79**
Depreciation									
As at April 1, 2018	**0.42**	**(0.06)**	**158.02**	**1,746.22**	**10.59**	**28.65**	**9.36**	**25.26**	**1,978.46**
Depreciation charge for the year	0.01	-	22.27	249.70	0.81	0.97	2.53	1.22	277.51
Provision for Impairment (refer note II)	2.84	24.96	250.94	2,085.94	0.41	1.14	0.57	17.88	2,384.68
Disposals	-	-	-	(0.01)	-	-	(0.74)	-	(0.75)
Translation reserve	-	-	0.03	-	-	-	-	0.39	0.42
As at March 31, 2019	**3.27**	**24.90**	**431.26**	**4,081.85**	**11.81**	**30.76**	**11.72**	**44.75**	**4,640.32**
Depreciation charge for the year	-	-	17.54	195.93	0.24	0.88	0.58	2.75	217.92
Disposals	-	-	-	-	-	-	(2.44)	-	(2.44)
Translation reserve	-	-	0.003		-	-	-	0.07	0.07
Transfer to held for sale	-	-	-	0.003	-	-	-	-	0.003
As at March 31, 2020	**3.27**	**24.90**	**448.80**	**4,277.78**	**12.05**	**31.64**	**9.86**	**47.57**	**4,855.87**
Net carrying value :									
As at March 31, 2020	42.82	11.95	350.70	2,778.66	1.92	15.89	4.28	17.70	3,223.92
As at March 31, 2019	42.98	11.95	365.81	2,918.27	0.81	16.56	1.80	20.15	3,378.33

Notes:

I. Property, plant and equipment pledged as security

Refer to note 20 for information on property, plant and equipment pledged as security by the Group.

II. In previous year, the Group had recognized an impairment loss against property, plant and equipment of ₹ 2,384.68 crores, intangible assets ₹ 158.21 crores and capital work in progress of ₹ 32.03 crores. Further, capital work in progress amounting to ₹ 26.89 crores had been written off due to discontinuation of the underlying projects (Refer Note 48).

(Amount in ₹ crores, unless otherwise stated)

5. INTANGIBLE ASSETS

	Software	Goodwill	Mining rights	Total
As at April 1, 2018	**0.56**	**2.11**	**158.21**	**160.88**
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2019	**0.56**	**2.11**	**158.21**	**160.88**
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2020	**0.56**	**2.11**	**158.21**	**160.88**
Amortisation				
As at April 1, 2018	**0.56**	**2.02**	**-**	**2.58**
Amortisation charge for the year	-	-	-	-
Provision for Impairment (refer note ll above)	-	0.09	158.21	158.30
Disposals	-	-	-	-
As at March 31, 2019	**0.56**	**2.11**	**158.21**	**160.88**
Amortisation charge for the year	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2020	**0.56**	**2.11**	**158.21**	**160.88**
Net carrying value :				
As at March 31, 2020	-	-	-	-
As at March 31, 2019	-	-	-	-

6. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	31 March 2020	31 March 2019
A. Investments in equity shares (unquoted)		
Associate (at cost or deemed cost)		
Monnet Power Company Limited * 220,101,460 (March 31, 2019 : 220,101,460) Equity shares of ₹10 each fully paid up	-	-
Joint ventures (at cost or deemed cost)		
Monnet Ecomaister Enviro Private Limited # 14,211,363 (March 31, 2019 : 14,211,363) Equity shares of ₹10 each fully paid up	-	-
Mandakini Coal Company Limited 39,299,800 (March 31, 2019 : 39,299,800) Equity shares of ₹10 each fully paid up	23.56	23.56
MP Monnet Mining Company Limited 980,000 (March 31, 2019 : 980,000) Equity shares of ₹10 each fully paid up	0.77	0.77
Urtan North Mining Company Limited 5,751,347 (March 31, 2019 : 5,751,347) Equity shares of ₹10 each fully paid up	5.75	5.75
Total	**30.08**	**30.08**
Less: Aggregate amount of provision for impairment in the value of investments	(30.08)	(30.08)
Aggregate carrying unquoted value	**-**	**-**

Note

* These consolidated financial statement does not include financial information of Monnet Power Company Limited (MPCL), which ceased to be an associate of the Group upon initiation of its liquidation as per Insolvency and Bankruptcy Code for liquidation of the Corporate Debtor. No adjustment is required in respect of losses if any, of MPCL since carrying value of investments is nil and there is no continuing obligation to bear further losses by the Group.

Basis Board resolution, investment in Monnet Ecomaister Enviro Private Limited has been classified as held for sale for detailed information refer note 37.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

7. INVESTMENTS

		31 March 2020	31 March 2019
I.	**Investments at fair value through OCI**		
	Investment in equity shares (unquoted)		
	Rameshwaram Steel & Power Private Limited	-	-
	4,152,273 (March 31, 2019 : 4,152,273) Equity shares of ₹10 each fully paid up		
	Falcon Internal Forces and Fire Services Private Limited	-	-
	1,000 (March 31, 2019 : 1,000) Equity shares of ₹10 each fully paid up		
	Monnet Engineering & Infrastructure P Limited	-	-
	4,000 (March 31, 2019 : 4,000) Equity shares of ₹10 each fully paid up		
	Business India Publications Limited	-	-
	100,000 (March 31, 2019 : 100,000) Equity shares of ₹10 each fully paid up		
	Investment in equity shares (quoted)		
	IFSL Limited	0.05	-
	1,300,000 (March 31, 2019 : 1,300,000) Equity shares of Re.1 each fully paid up		
	XL Energy Limited (formerly XL Telecom Limited)	*	0.01
	166,808 (March 31, 2019 : 166,808) Equity shares of ₹10 each fully paid up		
	Kamanwala Housing Construction Limited	0.03	0.07
	63,343 (March 31, 2019 : 63,343) Equity shares of ₹10 each fully paid up		
	Indiabulls Real Estate Limited	0.10	0.23
	25,000 (March 31, 2019 : 25,000) Equity shares of ₹10 each fully paid up		
	RattanIndia Infrastructure Limited	0.02	0.02
	73,750 (March 31, 2019 : 73,750) Equity shares of ₹10 each fully paid up		
	Indiabulls Integrated Services Limited (formerly known as Soril Holdings and Ventures Limited)	0.01	0.10
	3,125 (March 31, 2019 : 3,125) Equity shares of ₹10 each fully paid up		
	Bellary Steel and Alloys Limited	0.15	-
	803,243 (March 31, 2019 : 803,243) Equity shares of Re.1 each fully paid up		
	Pioneer Investment Limited	0.07	0.07
	23,392 (March 31, 2019 : 23,392) Equity shares of ₹10 each fully paid up		
	Neueon Towers Limited (formerly known as Sujana Towers Limited)	#	##
	12,500 (March 31, 2019 : 12,500) Equity shares of ₹10 each fully paid up		
	Grasim Industries Limited	0.07	0.13
	1,500 (March 31, 2019 : 1,500) Equity shares of ₹10 each fully paid up		
	Nu Tek India Limited	-	0.01
	NIL (March 31, 2019 : 480,000) Equity shares of ₹5 each fully paid up		
	Aditya Birla Capital Limited	0.01	0.02
	2,100 (March 31, 2019 : 2,100l) Equity shares of ₹10 each fully paid up		
	Aditya Birla Fashion & Retail Limited	0.08	0.11
	5,200 (March 31, 2019 : 5,200) Equity shares of ₹10 each fully paid up		
	Orrisa Sponge Iron & Steel Limited **	-	-
	1,994,633 (March 31, 2019 : 1,994,633) Equity shares of ₹10 each fully paid up		
	Monnet Power Company Limited	-	-
	220,101,460 (March 31, 2019 : 220,101,460) Equity shares of ₹10 each fully paid up		
		0.59	**0.77**
II.	**Investments at fair value through profit or loss**		
	SBI MF Magnum Tax Gain 55,123 (March 31, 2019 : 55,123) units	0.16	0.22
	Nippon India Mutual fund ETF liquid BeES 25 (March 31, 2019 : 25) units	-	-
Total		**0.75**	**0.99**
Aggregate book value of quoted investments		0.75	0.99
Aggregate market value of quoted investments		0.75	0.99

* ₹41,702 # ₹ 3,750 ## ₹ 10,875

** Basis Board resolution, investment in Orrisa Sponge Iron & Steel Limited has been classified as held for sale for detailed information refer note 37.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

8. OTHER FINANCIAL ASSETS (NON-CURRENT)

	31 March 2020	31 March 2019
Bank deposits (having maturity of more than 12 months)*	4.69	0.68
Other receivables	12.73	12.73
Security Deposits (Unsecured unless otherwise stated, considered good)	6.95	5.19
Less: Provision for Impairment	(0.02)	(0.02)
	24.35	**18.58**
*Lien marked bank deposits	4.69	0.27

9. CURRENT TAX ASSETS (NET)

	31 March 2020	31 March 2019
Income tax paid (net of provision for tax)	60.65	59.53
Less: Provision for impairment	(57.40)	(57.40)
	3.25	**2.13**

10. OTHER NON-CURRENT ASSETS

	31 March 2020	31 March 2019
Capital advances		
Unsecured unless otherwise stated, considered good	18.51	5.98
Other loans and advances (Unsecured unless otherwise stated, considered good)		
Security deposits	3.39	-
Prepaid expenses	-	0.34
Advance to gratuity fund (refer note 40)	-	0.04
	21.90	6.36
Less: Provision for impairment	(0.55)	-
Total	**21.35**	**6.36**

11. INVENTORIES

(Valued at the lower of cost and net realizable value)

	31 March 2020	31 March 2019
Raw Materials {Includes goods in transit ₹ 15.01 crores (31 March 2019: ₹ 39.37 crores)}	337.72	306.53
Work-in-progress	4.95	5.73
Finished Goods	369.97	350.40
Stores and spares {Includes goods in transit ₹ 0.69 crores (31 March 2019: ₹ NIL)}	146.17	75.45
	858.81	738.11
Less : Provision for Impairment of Inventory	(1.32)	(79.30)
Total	**857.49**	**658.81**

Note:

I. Inventory of finished goods includes inventory aggregating to ₹ 314.51 crores (PY: ₹ 253.94 crores) valued at net realisable value. Write-down of inventories arising out of the above amounting to ₹ 36.68 crores (PY: ₹ 50.04 crores) has been recognised as an expense during the year.

II. Inventories of Raigarh Plant have been pledged as security against bank borrowings, details relating to which has been described in note 20.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

12. TRADE RECEIVABLES

	31 March 2020	31 March 2019
Trade receivables unsecured unless otherwise stated, considered good	51.77	32.98
Trade receivables which have significant increase in credit risk	0.63	0.63
Less: allowance for doubtful debts	(0.63)	(0.63)
Trade receivables – credit impaired	1.68	1.53
Less: Allowance for doubtful debts	(1.68)	(1.53)
Total	**51.77**	**32.98**
Dues from directors or companies where directors are interested	**-**	**0.03**

The Credit period on sale of goods ranges from 30 to 90 days.

Ageing of receivables that are past due but not impaired

Particulars	31 March 2020	31 March 2019
90-180 days	4.79	1.99
> 180 days	1.19	1.55
Total	**5.98**	**3.54**

Part of trade receivables have been given as collateral towards borrowings details relating to which has been described in note 20.

Credit risk management regarding trade receivables has been described in note 46 (5).

Trade receivables from related parties details has been described in note 43.

13. CASH AND BANK BALANCES

	31 March 2020	31 March 2019
13 a. Cash and cash equivalents :		
Balances with banks		
in current accounts	34.73	23.21
in deposit accounts with maturity less than 3 months at inception	1.04	142.20
Cash on hand	0.06	0.06
Total	**35.83**	**165.47**
13 b. Bank balances other than above		
Earmarked bank balances*	0.11	0.17
Other bank deposits with maturity more than 3 months but less than 12 months at inception	73.46	
Other bank deposits with maturity more than 3 months but less than 12 months at inception (lien marked) #	56.66	47.95
	130.23	**48.12**

Notes:

* Earmarked bank balances pertaining to unclaimed dividend.

\# Other bank deposits are provided as collateral against credit facilities.

14. DERIVATIVE ASSETS

	31 March 2020	31 March 2019
Forward contracts (refer note 46)	7.75	-
Total	**7.75**	**-**

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

15. LOANS

	31 March 2020	31 March 2019
Loans		
- to related parties* (Refer note - 43)	14.50	14.36
- to others	418.14	428.84
Less: allowance for doubtful loans	(432.28)	(433.48)
Total	**0.36**	**9.72**
* Loans are given for business purpose		
Note :		
Loans receivable unsecured unless otherwise stated, considered good	0.36	9.72
Loans receivables – credit impaired		
Loans and advances to related parties	14.50	14.36
Loans and advances to others	417.78	419.12

16. OTHER FINANCIAL ASSETS (Current)

	31 March 2020	31 March 2019
Interest accrued on deposits and loans	1.45	0.39
Advance for properties*	-	9.06
	1.45	**9.45**

* Upon approval of plan to sale these properties in their present condition by the Board of directors, the management has regarded the sale to be highly probable and has initiated the process to locate a buyer. Accordingly, these properties have been classified as held for sale at estimated fair value less cost to sale of ₹ 5.96 crores based on the recent comparable transaction and the resultant impairment loss of ₹1.8 crore has been recognised.

17. OTHER CURRENT ASSETS

	31 March 2020	31 March 2019
Advances to suppliers	103.02	134.60
Balances with indirect tax authorities	21.80	18.62
Prepaid expenses	10.68	10.21
MAT credit entitlement	18.25	18.25
Advance to employees	0.42	0.43
	154.17	182.11
Less: Provision for Impairment	(19.14)	(19.30)
Total	**135.03**	**162.81**

18. SHARE CAPITAL

			31 March 2020	31 March 2019
a)	**Equity share capital**			
	Authorised:			
	1,000,000,000 (31 March 2019: 1,000,000,000) equity shares of ₹ 10/- each		1,000.00	1,000.00
	Issued subscribed and paid up:			
	469,547,534 shares at par value of ₹10/- each (31 March 2019: 469,547,534 shares at par value of ₹ 10/- each)		469.55	469.55
	Total	**a**	**469.55**	**469.55**
b)	**Preference Share capital**			
	Authorised:			
	550,000,000 (31 March 2019: 550,000,000 shares at par value of ₹ 10/- each) shares at par value of ₹ 10/- each		550.00	550.00
	Issued subscribed and paid up:			
	0.01% Compulsory convertible preference shares (CCPS) 525,980,000 (31 March 2019: 525,980,000) shares at par value of 10/- each		525.98	525.98
	Total	**b**	**525.98**	**525.98**
	Total	**(a+b)**	**995.53**	**995.53**

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

A. Reconciliation of the shares outstanding at the beginning and at the end of the year (refer note 46 and 47 for details)

Equity shares	31 March 2020		31 March 2019	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
At the beginning of the year	46.95	469.55	20.07	200.79
Movement during the year :				
Adjustment of shares forfeited	-	-	-	(0.02)
Conversion of loan into equity	-	-	21.52	215.22
Extinguishment of shares of erstwhile promoters	-	-	(5.07)	(50.73)
Capital reduction	-	-	(24.47)	(244.71)
Issued on merger	-	-	34.90	349.00
Outstanding at the end of the year	**46.95**	**469.55**	**46.95**	**469.55**

Compulsory convertible preference shares	31 March 2020		31 March 2019	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
At the beginning of the year	52.60	525.98	-	-
Issued on merger	-	-	52.60	525.98
Outstanding at the end of the year	**52.60**	**525.98**	**52.60**	**525.98**

B. Terms/Rights attached to equity shares

The Group has only one class of equity share having face value of ₹ 10/- per share. The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing general meeting. The holder of share is entitled to voting rights proportionate to their share holding at the meetings of shareholders.

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

C. Terms/Rights attached to preference shares

The holders of CCPS shall be entitled to payment of 0.01% per annum as dividend on each CCPS, as and when the Group declares any dividend. Each CCPS shall be convertible into 1 (one) equity share at any date prior to the expiry of the term of 20 (Twenty) years from the date of issuance of the CCPS ("CCPS Term") at the option of the holder of the CCPS. Unless already converted each CCPS outstanding at the expiry of the CCPS Term shall be compulsorily converted into 1 (one) equity share of the Group. The CCPS will have priority with respect of dividend or repayment of capital vis-a- vis equity shares. The CCPS holders shall not be entitled to participate in the surplus fund of the Group or participate in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid. The payment of dividend shall be on a non cumulative basis.

D. Following shareholders hold equity shares more than 5% of the total equity shares of the Group at the end of the year

Name of Shareholder	31 March 2020		31 March 2019	
	No of shares (in crores)	Amount	No of shares (in crores)	Amount
Creixent Special Steels Limited (Holding Company)	22.59	48.12%	22.59	48.12%
AION Investments Private II Limited	9.95	21.18%	9.95	21.18%
State Bank of India	2.55	5.43%	2.55	5.43%
JTPM Atsali Limited	2.35	5.01%	2.35	5.01%

(Amount in ₹ crores, unless otherwise stated)

E. Following shareholders hold preference shares more than 5% of the total convertible preference shares of the Group at the end of the year

Name of Shareholder	31 March 2020		31 March 2019	
	Number of shares held	% of holding in class	Number of shares held	% of holding in class
Creixent Special Steel Limited	34.05	64.73%	34.05	64.73%
JTPM Atsali Limited	18.55	35.27%	18.55	35.27%

F. Equity shares allotted as fully paid up (during 5 years preceding March 31, 2020) without payment being received in cash

34,90,00,000 equity shares and 52,59,80,000 compulsorily convertible preference shares issued on August 16, 2018, to the shareholders of Milloret Steel Limited in terms of the scheme of amalgamation ('the Scheme') sanctioned by Mumbai bench of National Company Law Tribunal vide its order dated July 24, 2018.

19. OTHER EQUITY

		31 March 2020	31 March 2019
a)	**Capital reserve**		
	Opening balance	77.77	77.77
	Changes during the year	-	-
	Closing balance	**77.77**	**77.77**
b)	**Securities premium**		
	Opening balance	1,114.50	1,114.50
	Changes during the year	-	-
	Closing balance	**1,114.50**	**1,114.50**
c)	**Debenture redemption reserve**		
	Opening balance	-	86.02
	Changes during the period	-	(86.02)
	Closing balance	**-**	**-**
d)	**Capital redemption reserve**		
	Opening balance	472.35	1.89
	Changes during the period	-	470.46
	Closing balance	**472.35**	**472.35**
e)	**Capital reconstruction reserve**		
	Opening balance	19.68	19.68
	Changes during the period	-	-
	Closing balance	**19.68**	**19.68**
f)	**Amalgamation reserve**		
	Opening balance	3.31	3.31
	Changes during the period	-	-
	Closing balance	**3.31**	**3.31**
g)	**General reserve**		
	Opening balance	249.99	163.97
	Changes during the period	-	86.02
	Closing balance	**249.99**	**249.99**
h)	**Equity instruments through OCI**		
	Opening balance	(102.28)	(68.21)
	Other comprehensive loss for the year	(0.23)	(34.07)
	Closing balance	**(102.51)**	**(102.28)**
i)	**Foreign exchange translation reserve (net)**		
	Opening balance	(17.09)	(23.95)
	Less: Changes due to disposal of subsidiary	-	(3.12)
	Changes during the period	(25.69)	9.98
	Closing balance	**(42.78)**	**(17.09)**

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

		31 March 2020	31 March 2019
j)	**Equity contribution resulted on merger**		
	Opening balance	7,287.03	-
	Changes during the period	-	7,287.03
	Closing balance	**7,287.03**	**7,287.03**
k)	**Retained earnings**		
	Opening Balance	(8,406.78)	(4,853.02)
	Loss for the year	(491.88)	(3,552.11)
	Remeasurement gain/ (loss) on defined benefit plans	(3.41)	1.01
	Add: Transferred on amalgamation	-	(2.66)
	Closing balance	**(8,902.07)**	**(8,406.78)**
	Total other equity attributable to equity holders of the parent		
	Closing balance	**177.27**	**698.48**
	Non-controlling interests		
	Closing balance	**(0.08)**	**0.04**

a) Capital reserve
The reserve is created pursuant to the acquisition of business being the difference of liabilities and assets acquired.

b) Securities premium
The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

c) Debenture redemption reserve
The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve (DRR) from annual profits until such debentures are redeemed. Companies are required to maintain 25% as a reserve of outstanding redeemable debentures. Accordingly, the Group creates DRR at 25% in the penultimate year to the year in which the repayment obligation arises on the Group. The amounts credited to the debenture redemption reserve will not be utilised except to redeem debentures. On redemption the amount will be reclassified to retained earnings.

d) Capital Redemption Reserve
Reserve is created for redemption of preference shares as per statutory requirement. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

e) Capital reconstruction reserve
Reserve is acquired at the time of amalgamation. It is created while following Pooling of Interest method of accounting.

f) Amalgamation reserve
Reserve is created on account of gain at the time amalgamation. It is the residual value after transfer of all assets, liabilities & reserves at their book value by using the Pooling of Interest method of accounting.

g) General reserve
Under the erstwhile the Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Group may transfer any amount from the surplus of profit or loss to the General reserves, if it wants to voluntarily. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

h) Equity instruments through OCI
The Group has elected to recognise changes in the fair value of certain investments in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of those equity instrument.

(Amount in ₹ crores, unless otherwise stated)

i) Foreign exchange translation Reserve (net)

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian rupees) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

j) Equity contribution resulted on merger

The equity contribution resulted on merger is a surplus after extinguishment of optionally convertible preference shares (OCPS) issued to Milloret Steel Limited.

k) Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Group.

20. BORROWINGS

(measured at amortized cost)

	Non-current		Current	
	31 March 2020	**31 March 2019**	**31 March 2020**	**31 March 2019**
a. Term Loan				
i. Secured				
Loans from bank	2,428.07	2,195.79	-	-
Less: current maturities of long term debt (refer note 26)	(301.54)	(276.69)	-	-
ii. Unsecured				
From a related party	125.00	125.00	-	-
b. Short term loan				
i. Unsecured				
From a related party	-	-	89.50	-
c. Working capital facility				
i. Secured				
From bank	-	-	278.13	154.21
	2,251.53	**2,044.10**	**367.63**	**154.21**

Note : Refer note 50 & 51 regarding extinguishment of liabilities post implementation of resolution plan

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Type of loan	Loan outstanding As on 31 March 2020	Loan outstanding As on 31 March 2019	Rate of interest	Security Guarantee	Repayment terms
Rupee loans from Bank	2,126.53	1,919.10	3 month MCLR + 10 bps	Secured by first charge on all immovable and movable fixed assets (present & future) of the Raigarh plant and second charge on all current assets of the Raigarh plant.	Repayable in 36 structured quarterly instalments, starting from the end of 39th month from the date of first disbursement.
Long term loan from a Company (Unsecured)	125.00	125.00	SBI 1 year MCLR + 200 bps	N.A.	Repayable in 9 equal annual instalments of ₹ 13.89 crores, starting from 31 August 2024 and ending at 31 August 2032.
Short term loan from a Company (Unsecured)	89.50	-	SBI 1 year MCLR + 200 bps	N.A.	At the end of 12 months from the date of first disbursement.
Working capital facility	278.13	154.21	1 Year MCLR	Secured by first charge on entire current assets (both present and future) and second charge on all immovable and movable fixed assets of the Raigarh plant.	On demand
Term Loan-Bank Loan	301.54	276.69	3 Month Libor + 3.5%	1) First and exclusive pledge of shares of PT Sarwa Sembada Karya Bumi held by the Group. 2) Charge over the shareholder's loan extended by Monnet Global Limited to PT Sarwa Sembada Karya Bumi. 3)Assignment and charge over the coal sale contract entered into between the Group and PT Sarwa Sembada Karya Bumi.	On demand

21. LEASE LIABILITIES

	31 March 2020	31 March 2019
Lease liabilities (refer note 41)	29.83	-
	29.83	**-**

22. PROVISIONS

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits				
Provision for gratuity (refer note 40)	-	-	0.06	-
Provision for compensated absences (refer note 40)	4.64	3.23	0.78	0.31
	4.64	**3.23**	**0.84**	**0.31**

23. INCOME TAX

A. Income tax expense

	31 March 2020	31 March 2019
Current tax		
Current tax	-	-
Deferred tax		
Deferred tax	-	-
MAT credit entitlement	-	-
Total tax expense	**-**	**-**

(Amount in ₹ crores, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:

	31 March 2020	31 March 2019
Loss before tax	(492.00)	(3,552.24)
Enacted tax rate in India	34.944	34.944
Accounting loss before income tax	**(492.00)**	**(3,552.24)**
Expected income tax expense/(benefit) at statutory tax rate 34.94% (31 March 2019: 34.94%)	(171.92)	(1,241.29)
Expenses not deductible in determining taxable profits	0.02	392.05
Effect of different tax rates of subsidiaries in other jurisdictions	1.42	63.84
Deferred tax asset not recognised	170.48	785.40
At the effective income tax rate of 0.0% (31 March 2019: 0.0%)	-	**-**
Income tax expense reported in the statement of profit and loss	-	-
	-	**-**

The Group had recognised MAT credit amounting to ₹18.25 crores, however due to uncertainty regarding utilisation within the stipulated period of 15 years, the same had been fully provided in previous year (refer note 17).

B. Deferred tax liabilities (net)

Deferred tax balance in relation to	As at 31-Mar-19	For the year ended 31 March 2020			As at 31-Mar-20
		Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(300.15)	(46.30)	-	-	(346.45)
Carried forward business loss / unabsorbed depreciation	266.15	34.33	-	-	300.48
Derivatives	-	(2.64)	-	-	(2.64)
Provisions for Impairment of Inventory/Trade receivables	29.00	(0.20)	-	-	28.80
Provisions for employee benefit / loans and advances and guarantees	12.00	6.77	-	-	18.77
Borrowings	(7.00)	7.00	-	-	-
Finance lease obligations	-	0.09	-	-	0.09
Others- IND AS adjustment	-	0.95	-	-	0.95
Total	**-**	**-**	**-**	**-**	**(0.00)**

Deferred tax balance in relation to	As at	For the year ended 31 March 2019			As at 31-Mar-19
		Recognised / (reversed) through profit and loss	Recognised in / (reclassified) from OCI	Others	
Property, plant and equipment	(1,073.43)	773.28	-	-	(300.15)
Carried forward business loss / unabsorbed depreciation	1,108.14	(841.99)	-	-	266.15
Provisions for Impairment of Inventory/Trade receivables	-	29.00	-	-	29.00
Provisions for employee benefit / loans and advances and guarantees	-	12.00	-	-	12.00
Borrowings	-	(7.00)	-	-	(7.00)
Others- IND AS adjustment	(34.71)	34.71	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Expiry schedule of losses on which deferred tax assets is not recognised is as under:

Expiry of Losses (as per local tax laws)	AY 2022-23	AY 2023-24	AY 2024-25	AY 2025-26	Beyond 5 Years	Indefinite	Total
Business Losses	-	482.70	1,108.21	227.90	590.23	-	**2,409.04**
Unabsorbed depreciation	-	-	-	-	-	4,480.97	**4,480.97**
Long term capital losses	3.20	-	19.10	-	297.29	-	**319.59**
Total	**3.20**	**482.70**	**1,127.31**	**227.90**	**887.52**	**4,480.97**	**7,209.60**

Based on legal advice from an independent expert, the management is of the view that vide NCLT order dated July 24, 2018 in response to resolution plan submitted by consortium of JSW Steel Limited and AION Investment Private II Limited for acquisition of Monnet Ispat and Energy Limited ("MIEL") under the Insolvency Bankruptcy Code, 2016 ("NCLT Order"), the Group will be entitled to carry forward the aforementioned accumulated losses of MIEL pertaining to the period prior to acquisition and off-set the same against the future taxable income of MIEL.

24. TRADE PAYABLES

	31 March 2020	31 March 2019
Acceptances	258.20	134.16
Other than acceptances		
- total outstanding dues of micro and small enterprises; (refer note 45)	1.35	3.36
- total outstanding dues of creditors other than micro and small enterprises	229.37	237.21
- payable as Per NCLT Order (refer note 50)	-	25.00
Total	**488.92**	**399.73**

Acceptances include credit availed by the Group from banks for payment to suppliers for raw materials purchased by the Group. The arrangements are interest-bearing and are payable within one year.

Trade payables are non-interest bearing and are normally settled within 90 days except for SME's which are settled within 45 days.

Disclosure with respect to related party transactions is given in note 43.

For explanations on the Group's credit risk management processes, refer to Note 46.

25. DERIVATIVE LIABILITIES

	31 March 2020	31 March 2019
Forward contracts (refer note 46)	0.20	-
Total	**0.20**	**-**

26. OTHER FINANCIAL LIABILITIES (CURRENT)

(at amortised cost)

	31 March 2020	31 March 2019
Current maturities of long term debt (refer note 20)	301.54	276.69
Interest accrued but not due on borrowings	67.84	48.02
Acceptances for capital goods	27.11	-
Payable for capital expenditures	19.05	19.14
Security deposits and retention money	11.06	1.51
Unclaimed dividends	0.11	0.17
Others	20.19	7.57
	446.90	**353.10**

The Group has opted to avail moratorium on payment of interest falling due between 01 April 2020 to 31 May 2020 and 01 March 2020 to 31 May 2020 on term loan and cash credit respectively, from a bank on account of COVID-19 under the RBI guidelines and accordingly, interest accrued as on 31st March 2020 is payable after completion of moratorium period.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

27. OTHER CURRENT LIABILITIES

	31 March 2020	31 March 2019
Advance from customers	16.97	20.13
Statutory dues	11.91	10.35
Export obligation deferred income	3.83	-
	32.71	**30.48**

28. REVENUE FROM OPERATIONS

		for the year ended 31 March 2020	for the year ended 31 March 2019
Sale of products		2,610.39	1,877.00
Sale of services		0.25	-
Less: rebate & discounts		(2.88)	(4.65)
	A	**2,607.76**	**1,872.35**
Other operating income			
Sale of scrap		23.49	6.22
Export incentives		6.91	0.84
	B	**30.40**	**7.06**
	A+B	**2,638.16**	**1,879.41**

The Group has assessed and determined the following categories for disaggregation of revenue:

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Revenue from contracts with customer - Sale of products	2,607.76	1,872.35
Other operating income	30.40	7.06
Total revenue from contracts with customers	**2,638.16**	**1,879.41**
India	2,391.69	1,803.12
Outside India	246.47	76.29
Total revenue from contracts with customers	**2,638.16**	**1,879.41**
Timing of revenue recognition		
At a point in time	2,638.16	1,879.41
Over a period of time	-	-
Total revenue from contracts with customers	**2,638.16**	**1,879.41**

Product Wise	for the year ended 31 March 2020	for the year ended 31 March 2019
Sponge Iron	1,176.82	1,160.40
Pellets	503.37	49.71
Structure/ TMT	451.59	365.11
Billets	228.58	85.96
Ferro Alloys	144.89	172.34
Pig Iron	93.87	21.39
Others	39.04	24.50
Total	**2,638.16**	**1,879.41**

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Contract Balances

	for the year ended 31 March 2020	for the year ended 31 March 2019
Trade Receivables	51.77	32.98
Contract liabilities (advance from customers)	16.97	20.13

The Group does not have any significant adjustments between the contracted price and revenue recognised in the profit & loss account.

The performance obligation is satisfied based on the terms of sale, normally, upon delivery of the goods and payment is generally due within 30 to 90 days from delivery.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year ₹ 20.13 crores (previous year ₹ 11.10 crores).

29. OTHER INCOME

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Interest Income earned on financial assets that are not designated as FVTPL		
Bank deposits	9.35	10.05
Others interest income	2.20	4.04
Rental income	1.51	1.57
Insurance claim received	-	6.80
Fair value gain arising from financial instruments designated as FVTPL	7.55	-
Exchange fluctuation (net)	-	3.63
Liabilities written back	4.68	0.80
Other miscellaneous income	0.99	0.11
	26.28	**27.00**

30. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

		for the year ended 31 March 2020	for the year ended 31 March 2019
Opening stock :			
Finished goods		334.71	103.06
Work-in-process		5.73	2.75
	A	**340.44**	**105.81**
Closing stock :			
Finished goods		369.97	350.40
Work-in-process		4.95	5.73
	B	**374.92**	**356.13**
Stock impairment	**C**	-	15.69
Total	**(A-B-C)**	**(34.48)**	**(266.01)**

31. EMPLOYEE BENEFITS EXPENSE

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Salaries, wages and amenities	107.24	81.28
Contribution to provident fund and other funds (refer note 40)	7.72	6.53
Staff welfare expenses	2.04	2.54
Total	**117.00**	**90.35**

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

32. FINANCE COSTS

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Interest expenses on borrowings	244.45	443.31
Other ancillary borrowing costs	5.64	0.48
Unwinding of Interest on financials liabilities (carried at amortised cost)	2.73	1.48
Interest expenses on lease liabilities	0.45	-
Other charges	0.05	-
Total	**253.32**	**445.27**

33. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	for the year ended 31 March 2020	for the year ended 31 March 2019
Depreciation of property, plant and equipments (refer note 4)	217.92	277.51
Depreciation of right of use assets	0.84	-
Total	**218.76**	**277.51**

34. OTHER EXPENSES

	for the year ended 31 March 2020	for the year ended 31 March 2019
Stores and spares consumed	124.09	34.64
Distribution expenses	79.50	15.07
Wages & labour charges	44.39	29.71
Repairs & maintenance		
- Machinery	18.46	16.53
- Building	2.38	2.39
- Others	2.02	0.87
Legal & professional charges	12.18	17.43
Water charges	9.01	6.77
Insurance charges	8.68	4.93
Security service charges	8.06	7.96
Vehicle expenses	4.91	10.20
Travelling & conveyance	2.41	1.84
Lease rent & hire charges	1.90	0.40
Auditors' Remuneration		
- As Audit fees	0.42	0.35
- For limited review	0.24	0.03
- For tax matters	0.05	-
- For certification & other matters	0.01	0.04
Allowance for doubtful advances	1.80	-
Bank charges	-	2.43
Exchange fluctuation (net)	4.24	-
Miscellaneous expenses	11.97	12.41
Total	**336.72**	**164.00**

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

35. EXCEPTIONAL ITEMS (NET)

Particulars	31 March 2020	31 March 2019
Provision for impairment of property, plant and equipment and capital work in progress	-	2,574.92
Capital work in progress written off	-	26.89
Non current investments written off	-	700.79
Provision for impairment of non current investments	-	18.89
Reversal of provision for Impairment of non current investments	-	(196.57)
Amount written off on reclassification of non current investments as held for sale	-	14.21
Provision for impairment of loans and advance	-	533.51
Non recoverable advances written off	-	238.12
Provision for impairment of inventory *	-	79.30
Trade receivables written off	-	50.72
Provision for doubtful trade receivables reversed	-	(34.55)
Plant startup expenses	-	27.00
Liability for current and non current borrowings written back	-	(1,008.32)
Trade payables and other current liabilities written back	-	(169.24)
	-	**2,855.67**

* In current year the Group has written off provision for impairment of inventory of ₹77.98 provided in previous year.

Exceptional items for the year ended 31 March 2019 comprise of:

(a) Impairment of property plant and equipment/CWIP write off amounting to ₹ 2,601.81 crores, which had been recognized based on the recoverable value of these assets (Refer note 48 for details).

(b) Impairment / write off of investments, inventories, receivables, current and non-current assets aggregating to ₹ 1,404.42 crores considered not realizable (Refer note 48 for details).

(c) Current and non-current liabilities written back , aggregating to ₹ (1,177.56) crores (Refer note 50 for details).

(d) Plant Startup Expenses of ₹ 27 crores which comprise of various revenue expenses incurred to restart and make opertaional, facililities at Raigarh plant of the Group

36. EARNINGS PER SHARE (EPS)

Particulars	31 March 2020	31 March 2019
Loss for the year as per Statement of Profit & Loss attributable to equity shareholders (₹ in crores) [A]	(492.00)	(3,552.24)
Weighted average number of equity shares for calculating basic EPS (no. in crores) [B]	46.95	36.65
Effect of dilution:		
Weighted average number of compulsorily convertible preference shares (no. in crores)	52.60	41.06
Weighted average number of equity shares adjusted for the effect of dilution (no. in crores) [C] {refer note below}	**46.95**	**36.65**
Compulsory convertible preference shares		
Earnings per equity share in ₹		
Basic [A/B]	(10.48)	(96.92)
Diluted [A/C]	(10.48)	(96.92)
Face Value of each equity share in ₹	**10**	**10**

Note:

In calculation of diluted earnings per share the Group does not assume conversion, exercise, or other issue as they would have an antidilutive effect on earnings per share.

(Amount in ₹ crores, unless otherwise stated)

37. HELD FOR SALE

Particulars	31 March 2020	31 March 2019
Assets		
Investment in equity shares of Monnet Ecomaister Enviro Private Limited (refer note I below)	0.001	0.001
Preference shares in Orissa Sponge Iron & Steel Limited (refer note II below)	-	2.92
Loan to Orissa Sponge Iron & Steel Limited (refer note II below)	-	0.39
Assets of Monnet Cements Limited (refer note III below)	0.17	-
Assets of PT Sarwa Sembada Karya Bumi (refer note IV below)	32.34	-
Advance for properties	5.96	-
Total assets	**38.47**	**3.31**
Liabilities		
Liabilities of PT Sarwa Sembada Karya Burmi (refer note IV below)	3.29	-
Liabilities of Monnet Cements Limited (refer note III below)	0.003	-
Total liabilities	**3.29**	**3.31**

Note:

I. The Group had entered into an MOU with Ecomaister Company Limited, South Korea for transfer of its holding in JV company Monnet Ecomaister Enviro Private Limited having an initial carrying value of ₹14.21 crores (provision of ₹ 14.21 crores, hence net book value is zero) for a total consideration of ₹ 10,000 (Rupees Ten Thousand). Accordingly, the Group has measured the said investment at lower of its carrying amount and fair value less costs to sell and classified it as held-for-sale.

II. Post Board approval dated 27 March 2019, the Group has entered into an agreement for sale of its investment in preference shares and loan given to Orissa Sponge Iron and Steel Limited. Accordingly, these amounts were reclassified as held for sale at that time at lower of its carrying amount and fair value less cost to sell, however upon receipt of consideration thereafter on 16 April 2019 the same stands settled

III. In board meeting held on 20 January 2020 , resolution was passed to sale entire stake in Monnet Cement Limited. Accordingly, the Group has re-classified its assets and liabilities held for sale.

IV. In board meeting held on 21 October 2019 , resolution was passed to sale entire stake in PT Sarwa Sembada Karya Bumi. Accordingly, the Group has re-classified its assets and liabilities held for sale.

38. DISCLOSURE OF SIGNIFICANT INVESTMENTS IN SUBSIDIARIES:

Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)		Principal activity
		31 March 2020	31 March 2019	
Monnet Global Limited	U.A.E.	100%	100%	Manufacturing Company
Monnet Cement Limited	INDIA	100%	99.97%	Manufacturing Company
Chomal Exports Private Limited	INDIA	-	51.00%	Mining Company
Monnet Sports Foundation	INDIA	-	64.16%	Promotion of exports

Information regarding non-controlling interest

	31 March 2020	31 March 2019
Accumulated balances of material non-controlling interest:		
Pt. Sarwa Sembada Karya Bumi (subsidiary of Monnet Global Limited)	(0.08)	0.04

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Summarised Statement of Profit & loss for the year ended 31 March 2020 and 31 March 2019

	Monnet Global Limited	
	31 March 2020	31 March 2019
Revenue	-	-
Cost of raw material and components consumed	-	-
Other expenses	4.07	3.18
Finance costs	0.002	-
Loss before tax	(4.07)	(3.18)
Income tax	-	-
Loss for the year	(4.07)	(3.18)
Total comprehensive loss	(4.07)	(3.18)
Attributable to non-controlling interests	(0.12)	-
Dividends paid to non-controlling interests	-	-

Summarised Balance sheet as at 31 March 2020 and 31 March 2019

	Monnet Global Limited	
	31 March 2020	31 March 2019
Inventories and cash and cash equivalents and other current assets (current)	33.06	1.26
Property, plant and equipment and other non-current assets (non-current)	4.22	34.09
Trade and other payable (current)	350.87	375.20
Interest-bearing loans and borrowing and deferred tax liabilities (non-current)	55.95	-
Total equity	(369.47)	(339.85)
Attributable to:		
Owners of the Company	(369.47)	(339.85)
Non-controlling interest	(0.08)	0.04

Summarised Cash flow statement as at 31 March 2020 and 31 March 2019

	Monnet Global Limited	
	31 March 2020	31 March 2019
Operating	0.53	11.03
Investing	-	3.34
Financing	-	(24.04)
Net increase in cash and cash equivalents	**0.53**	**(9.67)**

39. DISCLOSURE OF SIGNIFICANT INVESTMENTS IN JOINT VENTURES AND ASSOCIATES:

1) Disclosure of investment in the following joint ventures :

S. No.	Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)		Principal activity
			31 March 2020	31 March 2019	
1	Mandakini Coal Company Limited	India	33.33%	33.33%	Mining Company
2	Urtan North Mining Company Limited	India	33.33%	33.33%	Mining Company
3	MP Monnet Mining Company Limited	India	49.00%	49.00%	Mining Company
4	Monnet Ecomaister Enviro Pvt Limited	India	50.00%	50.00%	Manufacturing of PS balls

(Amount in ₹ crores, unless otherwise stated)

2) Disclosure of investment in the following associates :

Name	Country of Incorporation	Ownership Interest of Monnet Ispat & Energy Limited (%)	
		31 March 2020	31 March 2019
Monnet Power Company Limited*	India	28.31%	88.31%

*Monnet Power Company Limited (MPCL), ceased to be an associate of the Company upon initiation of its liquidation as per Insolvency and Bankruptcy Code for liquidation of the Corporate Debtor.

3) The group has no material Associate and Joint Venture. Hence, the financial information of such Associate and Joint Ventures that have non controlling interests has not been disclosed.

40. EMPLOYEE BENEFIT PLANS

Defined Contribution Plans - General Description

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Group has no obligation, other than the contribution payable to the provident fund and ESIC. The Group's contribution to the provident fund and ESIC is ₹ 7.72 crores (31 March 2019 ₹ 6.53 crores) (refer note 31).

Defined Benefit Plans - General Description

Gratuity:

The Group has a defined benefit gratuity 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 employee completing 5 years of service. The Gratuity plan for the Group is a defined benefit scheme where annual contributions are made to an insurer to provide gratuity benefits by taking a scheme of Insurance for the same. The Group makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

Compensated Absences:

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation of the group due to death, retirement, superannuation or resignation, at the rate of daily salary, as per the current accumulation of leave days.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, Asset liability matching risk, mortality risk, concentration risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2020 by M/s. K A Pandit Consultants & Actuaries. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

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

Particulars	31 March 2020	31 March 2019
Defined Benefit Obligation (DBO) at the beginning of the period	13.13	13.75
Current service cost	1.11	1.23
Interest cost	1.02	1.07
Benefits paid	(1.23)	(1.88)
Actuarial (gain)/ loss on obligations - OCI	3.24	(1.04)
Defined Benefit Obligation at the end of the period	**17.27**	**13.13**

Changes in the fair value of plan assets are, as follows:

	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	13.17	13.26
Contribution by employer	3.81	0.48
Benefits paid	(0.62)	(1.57)
Expected Interest Income on plan assets	1.02	1.04
Actuarial gain/(loss) on plan asset	(0.17)	(0.04)
Fair value of plan assets at the end of the period	**17.21**	**13.17**

Reconciliation of fair value of plan assets and defined benefit obligation:

	31 March 2020	31 March 2019
Fair value of plan assets	17.21	13.17
Defined benefit obligation	17.27	13.13
Amount recognised in the balance sheet (refer note 22)	**0.06**	**(0.04)**

Amount recognised in Statement of Profit and Loss:

	31 March 2020	31 March 2019
Current service cost	1.11	1.23
Interest expense	1.02	1.07
Expected return on plan asset	(1.02)	(1.04)
Amount recognised in Statement of Profit and Loss (refer note 31)	**1.11**	**1.26**

Amount recognised in other comprehensive income:

	31 March 2020	31 March 2019
Actuarial changes arising from changes in demographic assumptions	(1.41)	-
Actuarial changes arising from changes in financial assumptions	(1.83)	1.05
Return on plan assets (excluding amounts included in net interest expense)	(0.17)	(0.04)
Amount recognised in other comprehensive (loss)/ income	**(3.41)**	**1.01**

The principal assumptions used in determining gratuity liability for the Group's plans are shown below:

Gratuity	31 March 2020	31 March 2019
Investment Details	**Funded**	**Funded**
Investment with Insurance fund	100%	100%

(Amount in ₹ crores, unless otherwise stated)

The principal assumptions used in determining gratuity liability for the Group's plans are shown below:

	31 March 2020	31 March 2019
Discount rate	6.89%	7.79%
Expected rate of return on Plan assets	6.89%	7.79%
Future salary increases	7.00%	7.00%
Attrition Rate	2.00%	2.00%
Retirement age	60 years	60 years
Mortality rate during employment	Indian assured lives mortality (2006-08) ult	Indian assured lives mortality (2006-08) ult

Sensitivity analysis:-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:-

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Assumptions				
Discount rate	+ 1%	+ 0.25%	(1.59)	(0.32)
	- 1%	- 0.25%	1.85	0.33
Future salary increases	+ 1%	+ 0.25%	1.83	0.34
	- 1%	- 0.25%	(1.60)	(0.32)
Withdrawal rate	+ 1%	+ 0.25%	(0.04)	0.02
	- 1%	- 0.25%	0.04	(0.02)

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that change in assumption would occur in isolation of the another as some of the assumptions may be correlated.

The following are the maturity analysis of projected benefit obligations:

	31 March 2020	31 March 2019
Within the next 12 months (next annual reporting year)	1.10	0.80
Between 2 and 5 years	3.29	2.65
Beyond 5 years	35.07	30.65
Total expected payments	**39.46**	**34.10**

Each year an asset liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

The Group is expected to contribute ₹0.29 crores to its gratuity plan for the next year. The weighted average duration of the plan is 12 years.

Compensated absences

The Group has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the Group due to death, retirement or resignation. The expected cost of compensated absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date.

Compensated absences	31 March 2020	31 March 2019
Present value of unfunded obligation (₹ in crores)	5.42	3.54
Expenses recognised in Statement of profit and loss (₹ in crores)	1.46	0.99
Discount rate (p.a.)	6.89%	7.79%
Salary escalation rate (p.a.)	7.00%	7.00%

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

41. LEASE

Operating Lease commitments - Group as lessee

Lease payments of ₹ 0.78 crores have been recognized as an expense in the statement of profit and loss during previous year.

The future minimum lease payments under non-cancellable operating leases are as follows:

	31 March 2019
Not later than one year	1.05
Later than one year and not later than five years	4.23
Later than five years	37.40
Total	**42.68**

Transition Impact to Ind AS 116

Lease - Group as a lessee

Effective April 1, 2019, the Group has adopted Ind AS 116 ""Leases' and applied the standard to all lease contracts existing on the date of initial application i.e. April 1, 2019. The Group has used the modified retrospective approach for transitioning to Ind AS 116. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset recognised at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 30.42 crore and a lease liability of ₹ 30.42 crore. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The leases that the Group has entered with lessors are generally long term in nature and no changes in terms of those leases are expected due to the COVID-19.

Transition Impact to Ind AS 116

		31 March 2020
a.	Right of Use Asset recognised in the Balance Sheet	29.58
b.	Lease liability recognised in the Balance Sheet	29.83
c.	Depreciation charged to Statement of Profit and loss	
	- Land	0.34
	- Building	0.50
d.	Interest charged to Statement of Profit and loss	0.45
e.	Lease payments recognised as expense for the underlying asset is of low value	-
f.	Lease payments recognised as expense for short term leases	1.90
g.	Total cash flow for leases	1.04
h.	Carrying value of the right of use assets	
	- Land	27.75
	- Building	1.83
i.	Amounts of lease commitments for leases covered other than in point e & f above	
	- Not later than one year	0.98
	- Later than one year and not later than five years	3.02
	- Later than five years	25.83
j.	Amounts of lease commitments for leases covered in point e & f above	
	- Not later than one year	1.86
	- Later than one year and not later than five years	-
	- Later than five years	-

(Amount in ₹ crores, unless otherwise stated)

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the Balance sheet on 1 April, 2019 is ranging between 9.5% to 10%.

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 and the value of the lease liabilities as of April 1, 2019 is primarily on account of practical expedients exercised for short term leases, as at adoption of the standard, in measuring lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

Reconciliation of Operating Lease commitments to Lease liabilities as on April 1, 2019 :

Particulars	Amount
Operating lease commitments disclosed as at March 31, 2019	42.68
(Less): Impact of discounting on opening lease liability	(12.26)
(Less): Short-term leases not recognized as a liability	-
Lease liability recognized as at April 1, 2019	**30.42**

42. COMMITMENTS AND CONTINGENCIES

(a) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) of ₹ 26.55 crores (March 31, 2019 - ₹ 144.42 crores)

(ii) Rupee equivalent of export obligation to be completed by 9th February, 2026 under EPCG Scheme ₹ 19.99 crores (March 31, 2019 - ₹ NIL crores)

(b) Contingent liabilities

	31 March 2020	31 March 2019
Performance bank guarantees	107.13	69.95
Claim against the Group not acknowledged as debt	52.00	-

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

43. RELATED PARTY DISCLOSURES

A. List of related parties

(a) Holding Company		Creixent Special Steel Limited
(b) Joint Venturer of holding company	1	JSW Steel Limited (w.e.f. 31.08.2018)
	2	AION Investments Private II Limited (w.e.f. 31.08.2018)
(c) Associates		Monnet Power Company Limited (upto 23.10.2019)
(d) Joint Ventures	1	MP Monnet Mining Company Limited
	2	Mandakini Coal Company Limited
	3	Urtan North Mining Company Limited
	4	Monnet Ecomaister Enviro Private Limited
(e) Subsidiary of Joint Venture of Company		Solace Land Holding Limited
(f) Key Management Personnel:-	1	Mr. D Ravichandar (w.e.f. 31.08.2018)
	2	Ms. Anuradha Ambar Bajpai (w.e.f. 30.07.2018)
	3	Ms. Sutapa Banerjee (w.e.f. 27.09.2018)
	4	Mr. Jyotin Kantilal Mehta (w.e.f. 30.07.2018)
	5	Mr. Kalpesh Kikani (w.e.f. 31.08.2018)
	6	Mr. Nikhil Gahrotra (w.e.f. 31.08.2018)
	7	Mr. Sanjay Kumar (w.e.f. 31.08.2018)
	8	Mr. Seshagiri Rao (w.e.f. 31.08.2018)
	9	Mr. J. Nagarajan (Chief Financial Officer w.e.f. 21.01.2019)
	10	Mr. Ajay Kadhao (Company Secretary w.e.f. 21.01.2019)

Related parties with whom the Group has entered into transactions during the year

(g) Subsidiary of Joint Venturer of holding company		
	1	JSW Steel Coated Products Limited (w.e.f. 31.08.2018)
	2	GSI Lucchini S.P.A (w.e.f. 31.08.2018)
	3	Amba River Coke Limited (w.e.f. 31.08.2018)

B. Details relating to remuneration of Key Managerial Personnel

i) Remuneration of Key Managerial Personnel

	for the year ended 31 March 2020	for the year ended 31 March 2019
Short term employee benefits	3.03	2.48

Note:
As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.

ii) Directors Sitting fees

Name of KMP	for the year ended 31 March 2020	for the year ended 31 March 2019
Ms. Anuradha Ambar Bajpai	0.03	0.05
Ms. Sutapa Banerjee	0.03	0.02
Mr. Jyotin Kantilal Mehta	0.04	0.05

C. The following transactions were carried out with related parties in the ordinary course of business:-

Amount (₹ in crores)

Related Party Transactions		Holding	Joint Ventures	Joint Venturer of Holding Co.	Subsidiary of Joint Venturer of Holding Co.
Sales of goods					
JSW Steel Limited	31 March 2020	-	-	33.59	-
	31 March 2019	-	-	9.53	-
Loan Taken					
JSW Steel Limited	31 March 2020	-	-	89.50	-
	31 March 2019	-	-	125.00	-
Loan Repaid					
JSW Steel Limited	31 March 2020	-	-	-	-
	31 March 2019	-	-	9.12	-
Creixent Steel Limited	31 March 2020	-	-	-	-
	31 March 2019	2.55	-	-	-
Loan Given					
Mandakini Coal Company Limited	31 March 2020	-	0.14	-	-
	31 March 2019	-	-	-	-
MP Monnet Mining Company Limited	31 March 2020	-	#	-	-
	31 March 2019	-	-	-	-
Interest accrued on Loan					
JSW Steel Limited	31 March 2020	-	-	16.43	-
	31 March 2019	-	-	7.52	-
Purchase of Raw Material / stores / fixed assets					
JSW Steel Limited	31 March 2020	-	-	145.58	-
	31 March 2019	-	-	67.38	-
JSW Steel Coated Products Limited	31 March 2020	-	-	-	2.70
	31 March 2019	-	-	-	0.42
GCI Lucchini SPA	31st March 2020	-	-	-	4.37
	31st March 2019	-	-	-	-
Reimbursement of Expenses Payable					
JSW Steel Limited	31 March 2020	-	-	0.06	-
	31 March 2019	-	-	9.91	-
Reimbursement of Expenses Receivable					
JSW Steel Limited	31 March 2020	-	-	2.53	-
	31 March 2019	-	-	-	-
Creixent Steel Limited	31 March 2020	0.11	-	-	-
	31 March 2019	-	-	-	-

Notes to consolidated financial statements

for the year ended 31 March 2020

D. Net outstanding balances:-

Amount (₹ in crores)

Party's name		Holding	Joint Ventures	Joint Venturer of Holding Co.	Subsidiary of Joint Venturer of Holding Co.
Trade receivables					
JSW Steel Limited	31 March 2020	-	-	5.91	-
	31 March 2019	-	-	0.03	-
Jsw Steel Coated Products Limited	31 March 2020	-	-	-	0.03
	31 March 2019	-	-	-	0.08
Trade advance					
JSW Steel Limited	31 March 2020	-	-	1.89	-
	31 March 2019	-	-	-	-
Interest payable					
JSW Steel Limited	31 March 2020	-	-	21.48	-
	31 March 2019	-	-	7.52	-
Reimbursement of expenses receivable					
JSW Steel Limited	31 March 2020	-	-	2.53	-
	31 March 2019	-	-	-	-
Creixent Special Steel Limited	31 March 2020	0.03	-	-	-
	31 March 2019	-	-	-	-
Reimbursement of expenses payable					
JSW Steel Limited	31 March 2020	-	-	13.99	-
	31 March 2019	-	-	9.91	-
Amba River Coke Limited	31 March 2020	-	-	-	0.20
	31 March 2019	-	-	-	-
Trade payables					
JSW Steel Limited	31 March 2020	-	-	-	-
	31 March 2019	-	-	70.21	-
Loan received					
JSW Steel Limited - Loan	31 March 2020	-	-	214.50	-
	31 March 2019	-	-	125.00	-
Loan given					
Mandakini Coal Company Limited*	31 March 2020	-	6.41	-	-
	31 March 2019	-	3.09	-	-
MP Monnet Mining Company Limited*	31 March 2020	-	0.22	-	-
	31 March 2019	-	0.21	-	-
Monnet Ecomaister Enviro Pvt. Limited*	31 March 2020	-	7.88	-	-
	31 March 2019	-	6.76	-	-

₹ 40,000

* Balances receivables from these related parties has been provided in books of accounts.

(Amount in ₹ crores, unless otherwise stated)

44. SEGMENT INFORMATION

The Group is in the business of manufacturing steel products and allied products having similar characteristics and reviewed by the chief operating decision maker for assessment of Group's performance and resource allocation. Accordingly, the Group has only one reportable operating segment as per Ind AS 108 - Operating segments.

Revenue from operations:

Particulars	for the period ended 31 March 2020	for the period ended 31 March 2019
within India	2,391.69	1,803.12
outside India	246.47	76.29
Total	**2638.16**	**1879.41**

Non current assets of the Group as at 31 March 2020 are located as follows:

Particulars	within India	outside India	Total
Property, plant and equipment	3,219.70	4.22	3,223.92
Capital work-in-progress	237.63	-	237.63
Right of use assets	29.58	-	29.58
Other non-current assets	20.56	0.79	21.35
Total	**3,507.47**	**5.01**	**3,512.48**

Non current assets of the Group as at 31 March 2019 are located as follows:

Particulars	within India	outside India	Total
Property, plant and equipment	3,372.77	5.56	3,378.33
Capital work-in-progress	153.62	28.53	182.15
Other non-current assets	6.36	-	6.36
Total	**3,532.75**	**34.09**	**3,566.84**

45. DUES TO MICRO AND SMALL ENTERPRISES

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Group is given below:'

Particulars	31 March 2020	31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	1.35	3.36
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

46. FINANCIAL INSTRUMENTS

46.1 Capital risk management

Group, being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity. The Group monitors its capital using gearing ratio which is net debt to total equity. Net debt includes interest bearing loans and borrowings less cash and cash equivalents and bank balances.

The objective of the Group's capital management structure is to ensure that there remains sufficient liquidity within the Group to carry out committed work programme requirements. The Group monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The Group manages its capital structure and makes adjustments to it, based on underlying macro economic factors affecting business environment, financial market conditions and interest rates environment.

Particulars	31 March 2020	31 March 2019
Long term borrowings	2,251.53	2,044.10
Short term borrowings	367.63	154.21
Current maturities	301.54	276.69
Total borrowings	**2,920.70**	**2,475.00**
Less: Cash and cash equivalents	35.83	165.47
Less: Bank balances other than Cash and cash equivalents	130.12	47.95
Net debt	**2,754.75**	**2,261.58**
Total equity	**1,172.72**	**1,694.05**
Gearing ratio (%)	**234.90%**	**133.50%**

(i) Equity includes all capital and reserves of the Group that are managed as capital.

(ii) Debt is defined as long term borrowings and short term borrowings.

46.2 Categories of financial instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2020

Particulars	Amortised Cost	FVTOCI	FVTPL	Total Carrying value	Total fair value
Financial assets					
Investment	-	0.75	-	0.75	0.75
Trade receivable	51.77	-	-	51.77	51.77
Cash and cash equivalents	35.83	-	-	35.83	35.83
Bank balances other than cash and cash equivalents	130.23	-	-	130.23	130.23
Derivative Instrument	-	-	7.75	7.75	7.75
Loans	0.36	-	-	0.36	0.36
Other financial assets	25.80	-	-	25.80	25.80
Total	**243.99**	**0.75**	**7.75**	**252.49**	**252.49**
Financial Liabilities					
Long term borrowings	2,251.53	-	-	2,251.53	2,251.53
Lease liabilities	29.83	-	-	29.83	29.83
Short term borrowings	367.63	-	-	367.63	367.63
Trade payables	488.92	-	-	488.92	488.92
Derivative liabilities	-	-	0.20	0.20	0.20
Other financial liabilities	446.90	-	-	446.90	446.90
Total	**3,584.81**	**-**	**0.20**	**3,585.01**	**3,585.01**

(Amount in ₹ crores, unless otherwise stated)

As at 31 March 2019

Particulars	Amortised Cost	FVTOCI	FVTPL	Total carrying value	Total fair value
Financial assets					
Investment	-	0.99	-	0.99	0.99
Trade receivable	32.98	-	-	32.98	32.98
Cash and cash equivalents	165.47	-	-	165.47	165.47
Bank balances other than cash and cash equivalents	48.12	-	-	48.12	48.12
Loans	9.72	-	-	9.72	9.72
Other financial assets	28.03	-	-	28.03	28.03
Total	**284.32**	**0.99**	**-**	**285.31**	**285.31**
Financial Liabilities					
Long term borrowings	2,044.10	-	-	2,044.10	2,044.10
Short term borrowings	154.21	-	-	154.21	154.21
Trade payables	399.73	-	-	399.73	399.73
Other financial liabilities	353.10	-	-	353.10	353.10
Total	**2951.14**	**-**	**-**	**2951.14**	**2951.14**

46.3 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, security deposits taken, employee liabilities. The Group's principal financial assets include trade and other receivables, loans given and cash and short-term deposits/ loan that derive directly from its operations. The Group also holds FVTOCI investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's senior management is supported by the Finance department that advises on financial risks and the appropriate financial risk governance framework for the Group. The finance function provides assurance to the Group's management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

46.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings and FVTOCI investments.

The sensitivity analysis of the above mentioned risk in the following sections relate to the position as at 31 March 2020 and 31 March 2019.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 42(b).

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

The following table provides a breakup of the Group's fixed and floating rate borrowings:

Particulars	31 March 2020	31 March 2019
Fixed rate borrowings	-	-
Floating rate borrowings	2,920.70	2,475.00
Total borrowings	**2,920.70**	**2,475.00**
Total net borrowings	2,920.70	2,475.00
Add: Upfront fees	20.56	20.90
Total borrowings	**2,941.26**	**2,495.90**

The following table demonstrates the sensitivity to change in interest rates, all other variables held constant :

	Increase/ decrease in basis points	Effect on profit before tax
31 March 2020		
INR	+50	(14.60)
INR	-50	14.60
31 March 2019		
INR	+50	(12.38)
INR	-50	12.38

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

B. Foreign currency risk management

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates.

The Group's functional currency is Indian Rupee (₹). The Group also undertakes transactions denominated in foreign currencies. Consequently, exposure to exchange rate fluctuations arises. Volatility in exchange rates affects the Group's revenue from export markets and the cost of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade portfolio.

A reasonably possible strengthening/weakening of the foreign currencies (USD / Euro/ AED) against ₹ would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit and loss by the amounts shown below. The analysis assumes that all other variables remain constant.

The Group basis its assessment believes that there is no significant impact on the Group due to fluctuation in foreign currency due to COVID-19 as the Group has appropriately hedged its exposure to currency risk by way of forward contracts.

Exposure to currency risk

The carrying amounts of the Group's monetary assets and liabilities at the end of the reporting period are:

(Amount in ₹ crores, unless otherwise stated)

Currency Exposure as at 31 March 2020

Particulars	USD	EURO	AED	INR	Total
Financial assets					
Non current investment	-	-	-	0.75	0.75
Trade Receivable	20.11	-	-	31.66	51.77
Cash and cash equivalents	0.63	-	-	35.20	35.83
Bank balances other than Cash and cash equivalents	-	-	-	130.23	130.23
Derivative Assets	7.75	-	-	-	7.75
Loans	-	-	-	0.36	0.36
Other financial assets	-	-	-	25.80	25.80
Total financial assets	**28.49**	**-**	**-**	**224.00**	**252.49**
Financial Liabilities					
Long term borrowings	-	-	-	2,619.16	2,619.16
Lease Liabilities	-	-	-	29.83	29.83
Trade payables	103.52	-	-	385.40	488.92
Derivative liabilities	0.04	0.16		-	0.20
Other financial liabilities	301.54	29.29	-	116.07	446.90
Total financial liabilities	**405.10**	**29.45**	**-**	**3,150.46**	**3,585.01**

Currency Exposure as at 31 March 2019

Particulars	USD	EURO	AED	INR	Total
Financial assets					
Non current investment	-	-	-	0.99	0.99
Trade Receivable	14.76	-	-	18.22	32.98
Loans	-	1.27	0.24	8.21	9.72
Cash and cash equivalents	0.09	-	-	165.38	165.47
Bank balances other than Cash and cash equivalents	0.02	-	-	48.10	48.12
Other financial assets	1.38	-	-	26.65	28.03
Total financial assets	**16.25**	**1.27**	**0.24**	**267.55**	**285.31**
Financial Liabilities					
Long term borrowings	-	-	-	2,198.31	2,198.31
Trade payables	130.10	-	-	269.63	399.73
Other financial liabilities	318.88	-	-	34.22	353.10
Total financial liabilities	**448.98**	**-**	**-**	**2,502.16**	**2,951.14**

The following table details the Group's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies net of hedge. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Particulars	Increase		Decrease	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Receivables				
USD/INR	0.13	-	(0.13)	-
EURO/INR	0.02	0.06	(0.02)	(0.06)
AED/INR	-	0.01	-	(0.01)
Payable				
USD/INR	(15.08)	(17.55)	15.08	17.55

The forward exchange contracts entered into by the Group and outstanding are as under:

a) USD

As at	Nature	No of contracts	Type	USD equivalent	INR equivalent	MTM
31 March 2020	Assets	10	Buy	2.52	190.04	7.75
	Liabilities	6	Sell	0.24	18.24	0.04

a) EURO

As at	Nature	No of contracts	Type	EURO equivalent	INR equivalent	MTM
31 March 2020	Liabilities	1	Buy	0.34	27.82	0.16

Unhedged currency risk position

I) Amounts receivable in foreign currency

a) USD

	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent
Trade receivables	0.03	1.87	0.21	14.76
Other recoverable	-	-	0.02	1.38
Cash & cash equivalents	0.01	0.63	0.0003	0.09
Term deposits	-	-	0.001	0.02

b) EURO

	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent
Other recoverable	0.0001	0.43	0.02	1.27

c) AED

	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent
Other recoverable	-	-	0.01	0.24

II) Amounts payable in foreign currency

	As at 31 March 2020		As at 31 March 2019	
	US$ equivalent	INR equivalent	US$ equivalent	INR equivalent
Short term borrowings	4.00	301.54	4.00	276.69
Trade Payables	-	-	0.67	48.43
Other Payables	-	-	0.61	42.19

(Amount in ₹ crores, unless otherwise stated)

46.5 Credit risk management:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assesses the Group's policy and updates the same as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date.

For financial assets in the form of cash and cash equivalents, bank deposits, investments, loans and other financial assets, the Group has assessed the change in counterparty credit risk due to COVID-19 and believe that the same are fully recoverable.

A. Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At the year end the Group does not have any significant concentrations of bad debt risk other than that disclosed in note 12.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at the balance sheet date. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

B. Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties.

III. Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinarily high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

Maturity pattern of financial assets and liabilities:

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments.

As at 31 March 2020

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non current investment	-	-	0.75	0.75
Trade receivable	51.77	-	-	51.77
Loans	0.36	-	-	0.36
Cash and cash equivalents	35.83	-	-	35.83
Bank balances other than Cash and cash equivalents	130.23	-	-	130.23
Derivative assets	7.75	-	-	7.75
Other financial assets	1.45	24.31	0.04	25.80
Total financial assets	**227.39**	**24.31**	**0.79**	**252.49**
Financial liabilities				
Long term borrowings	-	611.00	1,640.53	2,251.53
Lease Liabilities	0.98	3.02	25.83	29.83
Short term borrowings	367.63	-	-	367.63
Trade payables	488.92	-	-	488.92
Derivative liabilities	0.20	-	-	0.20
Other financial liabilities	446.90	-	-	446.90
Interest payout liability on borrowings	219.42	828.62	471.55	1,519.59
Interest payout liability on leases	0.10	0.57	11.13	11.80
Total financial liabilities	**1,524.15**	**1,443.21**	**2,149.04**	**5,116.40**

As at 31 March 2019

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non current investment	-	-	0.99	0.99
Trade receivable	32.98	-	-	32.98
Loans	9.72	-	-	9.72
Cash and cash equivalents	165.47	-	-	165.47
Bank balances other than Cash and cash equivalents	-	-	48.12	48.12
Other financial assets	22.18	0.68	5.17	28.03
Total financial assets	**230.35**	**0.68**	**54.28**	**285.31**
Financial liabilities				
Long term borrowings	276.69	281.30	1,486.11	2,044.10
Short term borrowings	154.21	-	-	154.21
Trade payables	399.73	-	-	399.73
Other financial liabilities	353.10	-	-	353.10
Interest payout liability on borrowings	196.19	865.95	653.64	1,715.78
Total financial liabilities	**1,379.92**	**1,147.25**	**2,139.75**	**4,666.92**

Collateral

The Group has pledged part of its trade receivables, cash and cash equivalents and bank balances in order to fulfil certain collateral requirements for the banking facilities extended to the Group. (refer note 20 & 26)

(Amount in ₹ crores, unless otherwise stated)

47. LEVEL WISE DISCLOSURE OF FINANCIAL INSTRUMENTS

Particulars	31 March 2020	31 March 2019	Level	Valuation Technique
Quoted investments in equity shares measured at FVTOCI	0.75	0.99	1	Quoted bid prices in an active market
Derivative assets	7.75	-	2	The fair value of forward contracts is determined using forward exchange rate as at the balance sheet date.
Derivative Liabilities	0.20	-	2	The fair value of forward contracts is determined using forward exchange rate as at the balance sheet date.

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

48. IMPAIRMENT OF CURRENT AND NON CURRENT ASSETS

Following the IBC Proceedings, a third party consultant was appointed to assess the recoverable amount of the CGU on the effective date of the order i.e. 31 August 2018.

In previous year, the Group had recognized an impairment loss against property, plant and equipment of ₹ 2,370.92 crores and capital work in progress of ₹ 31.94 crores. Further, capital work in progress amounting to ₹ 26.89 crores had been written off due to discontinuation of the underlying projects.

The recoverable amount was determined with the assistance of independent appraisers.

The impairment loss was allocated to assets as presented below:

Particulars	Impairment Loss recognised through profit and loss account	Impairment loss recognised through other comprehensive income
Assets		
Property Plant and Equipment including capital work in progress and intangible assets	2,601.81	-
Investments	537.32	34.07
Inventories	79.30	-
Trade Receivables	16.17	-
Loans and Other Receivables	771.63	-
Total	**4,006.23**	**34.07**

During the current year, in view of operating losses and temporary shut down of plants, the management has assessed the recoverable value of property, plant and equipment of Raigarh and Raipur locations with the help of independent valuation expert and concluded that no additional provision for impairment is necessary.

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

49. The Hon'ble Supreme Court of India by its Order dated 24th September, 2014 has cancelled a number of coal blocks allocated to various entities which includes five under development mines allotted to the Group or its joint venture companies. The Ministry of Law and Justice (Legislative Department), Government of India, has promulgated an Ordinance on October 21, 2014 for implementing the order of Hon'ble Supreme Court and fixation of compensation etc.

The Group had invested directly or through Joint Ventures in the following coal blocks which have been cancelled pursuant to the court order as mentioned here in above:

Particulars	Expenditure on capital work in progress	Investment in Shares	Other Current & Non-current assets (liabilities)	Total
Coal Blocks allotted to the Group				
Utkal – B2	44.07	-	-	44.07
Rajgamar	13.96	-	-	13.96
Coal Block through JVs				
Mandakini Coal Company Limited	-	39.30	3.09	42.39
Urtan North Mining Company Limited	-	5.75	(0.82)	4.93
MP Monnet Mining Company Limited	-	0.98	2.71	3.69
	58.03	**46.03**	**4.98**	**109.04**
Less: Provision for Impairment	44.07	46.03	4.44	94.54
Net Carrying Value	**13.96**	**-**	**0.54**	**14.50**

50. Pursuant to the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 initiated on 18 July 2017, the National Company Law Tribunal (NCLT) on 24 July 2018 (Order date) approved (with modifications), the Resolution Plan (the Plan) submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited, which, inter alia, resulted in the following:

(a) Extinguishment of 50,732,841 equity shares of ₹ 10 each and 17,500,000 preference shares of ₹ 100 each held by the erstwhile promoters. The said amount has been transferred to capital redemption reserve.

(b) Reduction in the face value of the balance 365,233,620 equity shares (including the equity shares issued under (c) and (d) below) held by the non- promoter equity shareholders to ₹ 3.30 per share and their consolidation into 120,527,534 equity shares of ₹ 10 each. The difference has been transfer to capital redemption reserve.

(c) Settlement of debts of financial creditors amounting to ₹ 10,247.86 crores, partly by issue of 20,00,56,892 equity shares of ₹ 10 each, partly by cash payment of ₹ 2,457 crores, and partly by the effective purchase of the remaining debt, (on deemed conversion into Optionally Convertible Preference shares), for a sum of ₹ 199.85 crores by a company of the consortium, Milloret Steel Limited (MSL).

(d) Settlement of corporate guarantees issued to financial creditors amounting to ₹ 767.05 crores, partly by issue of 1,51,41,327 equity shares of ₹ 10 each and cash payment of ₹ 20.07 crores.

(e) Settlement of operational creditors, (other than employees and workmen), for a sum of ₹ 25 crores payable by the Company within one year from the Order date and extinguishment of other current and non-current liabilities standing as on the commencement of Corporate Insolvency Resolution Process.

(f) Extinguishment of all contingent liabilities, commitments and other claims and obligations including all taxes and other government dues standing as on the effective date (i.e. 31 August 2018).

51. Milloret Steel Limited, amalgamated with the Company, with effect from August 31, 2018, in accordance with the terms of the final resolution plan approved by the Mumbai bench of National Company Law Tribunal vide its order dated July 24, 2018. The Company issued 34,90,000 equity shares and 52,59,80,000 compulsorily convertible preference shares of ₹ 10 each to shareholders of Milloret Steel Limited in the ratio of one share of the Company for every one share of Milloret Steel Limited pursuant to the Scheme. All the assets and liabilities of Milloret Steel Limited were recorded by the Company at their respective fair values. Optionally convertible preference shares (OCPS) of ₹7486.88 crores, issued by the Company and purchased by Milloret Steel Limited for ₹199.85 crores were extinguished and the resultant surplus of ₹ 7287.03 crores has been recognized as equity contribution resulted on merger in other equity.

(Amount in ₹ crores, unless otherwise stated)

Details of the share capital issued and net assets acquired are as follows:

Assets/ (Liabilities)	Amount in crores
Assets	
Current Assets	
Financial Assets	
Cash and cash equivalents	675.15
Others	209.14
Other Current Assets	9.51
Fees for authorized share capital	2.55
Total assets	**896.35**
Other Equity	(0.04)
Liabilities	
Borrowings	9.12
Other Financial liabilities	9.87
Other current liabilities	2.40
Total liabilities	**21.35**
Net consideration settled by issue of equity / Compulsory Convertible preference shares	**875.00**

52 DISCLOSURE UNDER IND AS 7 'STATEMENT OF CASH FLOWS'

Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities.

Particulars	31 March 2019	Cash flows	Non-cash changes Fair value changes	31 March 2020
Interest payable	48.02	(234.21)	254.03	67.84
Long-term borrowings	2,044.10	207.09	0.34	2,251.53
Short term borrowings	430.90	213.42	24.85	669.17
Total liabilities from financing activities	**2,523.02**	**186.30**	**279.22**	**2,988.54**

Particulars	31 March 2018	Cash flows	Non-cash changes Fair value changes	31 March 2019
Interest Payable	2,483.48	(118.29)	(2,317.17)	48.02
Long-term borrowings	3,481.99	(69.78)	(1,368.11)	2,044.10
Short term borrowings	5,319.26	(156.12)	(4,732.24)	430.90
Total liabilities from financing activities	**11,284.73**	**(344.19)**	**(8,417.52)**	**2,523.02**

Notes to consolidated financial statements

for the year ended 31 March 2020

(Amount in ₹ crores, unless otherwise stated)

53. DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY AND SUBSIDIARIES AS PER SCHEDULE III OF COMPANIES ACT,2013

Name of entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive loss	Amount	As % of consolidated total comprehensive loss	Amount
Parent Company								
Monnet Ispat and Energy Limited	126.71	1485.99	99.22	(488.16)	12.41	(3.64)	94.34	(491.80)
Subsidiaries								
Indian								
Monnet Cement Limited	(0.17)	(2.02)	0.01	(0.06)	-	-	0.01	(0.06)
Chomal Exports Private Limited	-	-	(0.05)	0.27	-	-	(0.05)	0.27
Monnet Sports Foundation	-	-	-	0.02	-	-	-	0.02
Khasjamada Mining Company	-	-	-	-				
Foreign								
Monnet Global Limited - Group	(33.26)	(390.07)	0.80	(3.95)	-	-	0.76	(3.95)
Non-Controlling interest in all Subsidiaries	(0.01)	(0.08)	0.02	(0.12)	-	-	0.02	(0.12)
Joint Ventures								
Indian								
Mandakini Coal Company Limited	-	-	-	-	-	-	-	-
Urtan North Mining Company Limited	-	-	-	-	-	-	-	-
MP Monnet Mining Company Limited	-	-	-	-	-	-	-	-
Monnet Ecomaister Enviro Private Limited	-	-	-	-	-	-	-	-
Solace Land Holding Limited	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	6.73	78.90	-	-	-	-	-	-
Foreign exchange translation reserve	-	-	-	-	87.59	(25.69)	4.93	(25.69)
Total	**100.00**	**1,172.72**	**100.00**	**(492.00)**	**100.00**	**(29.33)**	**100.00**	**(521.33)**

54. The figures for the corresponding previous year have been reclassified / regrouped wherever necessary to make them comparable.

For and on behalf of the Board of Directors

Ravichandar Moorthy Dhakshana
Whole Time Director
DIN: 03298700

Nikhil Gahrotra
Director
DIN: 01277756

J. Nagarajan
Chief Financial Officer

Ajay Kadhao
Company Secretary
M. No. ACS-13444

Notes

Notes

MONNET ISPAT AND ENERGY LIMITED
Registered Office: Monnet Marg, Mandir Hasaud,
Raipur–492101 (Chhattisgarh)
Phone: +91 771 2471 334; **Fax:** +91 771 2471250
Corp. Office: Art Guild House, A-Wing 2nd Floor,
Unit No–13, Phoenix Mall Compound, LBS Marg, Kurla West,
Mumbai–400070 (Maharashtra)
Email: isc_miel@aionjsw.in; **Website:** www.aionjsw.in
Phone: +91.22.68826700; **CIN:** L02710CT1990PLC009826

/Concept, content and design at AICL (hello@aicl.in)